

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 2001 - 1015/1

INTRODUCTION # 2001 AB 52

Admin. Rule #

Subject

Granting creditable military service under the WRS for service in the national guard or reserve component of the U.S. armed forces.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.515 (1)(w)

Assumptions Used in Arriving at Fiscal Estimate:

AB 52 provides that participants who served at least 20 years in the national guard or reserve component of the US armed forces may receive one year of WRS military service credit at the time of retirement. The military service credit would be granted in the same employment category as the participant's category on the termination date. The maximum amount of military service credit a participant may receive is 4 years. The cost of the service would be added to the participant's employer's unfunded accrued actuarial liability balance.

Based upon the requirements of the bill, the Department assumes a 10% increase (166) in the number of participants requesting credit for military service and an additional 1,000 inquiries (phone and written) about military service credit. It is estimated that our Call Center and Member Services Bureau will have one-time staff costs of \$5,500 and on-going costs of \$400 to revise forms and brochures, change telephone system messages, revise internal operating procedures, provide staff training, and handle increased workload associated with telephone and written inquiries, e-mails and walk-in appointments.

The Division of Employer Services estimates on-going annual operational staff costs of \$2,500 for military service processing based upon the 10% increase in participants submitting requests for additional military service credit and \$105 one-time staff costs to revise employer manuals and worker procedures.

It is estimated that our Benefits Services Bureau will have on-going annual staff costs of \$900 to calculate the present value of the new benefit based upon the 10% increase in the number of participants.

The Controller's Office estimates an additional \$900 per year in staff costs to update the unfunded accrued actuarial liability balances on our Wisconsin Employee Benefit System (WEBS) for employers, calculate the new prior service contribution rates and update the contribution rates on WEBS.

This fiscal estimate addressed only the administrative costs of AB 52. The Joint Survey Committee on Retirement Systems will estimate the fiscal effect on the trust fund.

Long-Range Fiscal Implications:

On-going.

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Date

2/12/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
\$ 5,605.00 one-time costs

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ 4,700.00	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 4,700.00	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S	\$4,700.00	-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ 4,700.00
 NET CHANGE IN REVENUES \$ _____

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