



**Fiscal Estimate Narratives**

**RET 2/14/2012**

LRB Number	<b>11-3465/3</b>	Introduction Number	<b>AB-0550</b>	Estimate Type	<b>Original</b>
<b>Description</b> Payment of employee required contributions under the Wisconsin Retirement System for participating employees activated to serve on military duty in the U.S. armed forces					

**Assumptions Used in Arriving at Fiscal Estimate**

Current law generally provides that participating employees in the Wisconsin Retirement System (WRS) must pay all employee required contributions that are used to fund their retirement benefits.

2011 Assembly Bill 550 requires employers to pay WRS employee required contributions for participating employees who are activated to serve on military duty in the U.S. armed forces and the commitment is for a period of more than 30 days. Under the bill, the contributions must be based on the earnings that the participating employee would have received from the employer had the participating employee not been activated to serve on military duty.

The bill also provides that an employer may recover from the employee's earnings paid after the employee is reemployed by the employer the contributions paid for the employee. In recovering the contributions, the employer may not deduct from the employee's earnings more than 5 percent of each payment of earnings, unless otherwise provided in a voluntary written agreement between the employer and employee.

**Long-Range Fiscal Implications**

The bill would not have a fiscal effect on the core trust fund because employers will be required to make the required actuarial contributions previously paid by the employees to maintain the adequacy of the fund.

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

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<b>Description</b> Payment of employee required contributions under the Wisconsin Retirement System for participating employees activated to serve on military duty in the U.S. armed forces			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  None.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs	0	0
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$0</b>	<b>\$0</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$0	\$0
NET CHANGE IN REVENUE		\$	\$0
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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