

### Fiscal Estimate - 2013 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>13-4335/1</b>	<b>Introduction Number</b> <b>AB-0854</b>
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**Description**  
 Duty disability benefit program under the Wisconsin Retirement System, prohibited subjects of collective bargaining under the Municipal Employment Relations Act and the State Employment Labor Relations Act, and requiring the Legislative Audit Bureau to conduct a program evaluation audit of certain disability and survivor benefit programs of public employee retirement systems in this state

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations       Increase Existing Revenues       Increase Costs - May be possible to absorb within agency's budget
  - Decrease Existing Appropriations       Decrease Existing Revenues       Yes       No
  - Create New Appropriations       Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs      3.  Increase Revenue      5. Types of Local Government Units Affected
  - Permissive  Mandatory       Permissive  Mandatory       Towns       Village       Cities
  - 2.  Decrease Costs      4.  Decrease Revenue       Counties       Others
  - Permissive  Mandatory       Permissive  Mandatory       School Districts       WTCS Districts

**Fund Sources Affected**

**Affected Ch. 20 Appropriations**

GPR     FED     PRO     PRS     SEG     SEGS

<b>Agency/Prepared By</b> ETF/ Tarna Hunter (608) 267-0908	<b>Authorized Signature</b> Robert Marchant (608) 266-9854	<b>Date</b> 4/8/2014
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## Fiscal Estimate Narratives

ETF 4/8/2014

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<b>Description</b> Duty disability benefit program under the Wisconsin Retirement System, prohibited subjects of collective bargaining under the Municipal Employment Relations Act and the State Employment Labor Relations Act, and requiring the Legislative Audit Bureau to conduct a program evaluation audit of certain disability and survivor benefit programs of public employee retirement systems in this state					

### Assumptions Used in Arriving at Fiscal Estimate

This bill makes the following changes to the duty disability program under the Wisconsin Retirement System (WRS) administered by the Department of Employee Trust Funds (ETF).

- The bill requires that any person receiving a duty disability benefit be reexamined every 5 years, by at least one physician approved by the Wisconsin Retirement Board, to determine if the person is still disabled. An ETF approved form must be submitted to ETF indicating that the person is still disabled.

- The bill requires that if an employer offers an employee who qualifies for a duty disability benefit another position and the employee does not accept the position, the employee may not receive a duty disability benefit. If an employee accepts the position, the amount of the employee's monthly benefit is reduced by all earnings the employee receives.

- This bill eliminates provisions in current law which allow an employee to receive a duty disability benefit if (1) the employee's pay or position is reduced or the employee is assigned to light duty; or (2) the employee's promotional opportunities are adversely affected if promotion is prohibited because of the disability.

- The bill also prohibits state and local public safety officers from collectively bargaining for duty disability benefits.

- The bill requires the legislative audit bureau to perform a program audit of the duty disability program.

This bill will require ETF to create and administer new forms and processes to comply with the new law, and may result in increased inquiries, but is not expected to have a material fiscal effect on the administrative costs of the ETF. It is assumed that the cost of the reexamination will be borne by the duty disability claimant.

The provisions in the bill impacting the WRS duty disability program may decrease costs to the duty disability program if participants are found to be no longer disabled or offered another position with the employer. An actuarial study will need to be completed to determine the financial effect of these changes on the duty disability program.

### Long-Range Fiscal Implications