

Fiscal Estimate - 2023 Session

Original Updated Corrected Supplemental

LRB Number 23-4724/1	Introduction Number AB-1147
Description creditable military service under the Wisconsin Retirement System	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	
<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Agency/Prepared By	Authorized Signature
ETF/ Laura Patterson (608) 267-7840	Tarna Hunter (608) 267-0908
	Date
	3/13/2024

Fiscal Estimate Narratives

ETF 3/13/2024

LRB Number	23-4724/1	Introduction Number	AB-1147	Estimate Type	Original
Description creditable military service under the Wisconsin Retirement System					

Assumptions Used in Arriving at Fiscal Estimate

This bill would allow Wisconsin Retirement System (WRS) participants, both active and inactive, who worked at the Department of Corrections (DOC) for at least 5 years and who terminates on or after the effective date of the bill to receive military service credits for any military service (current law requires that the service must have been performed prior to 1974). The bill eliminates the current law restriction on receiving military service credit for service that is also used to receive a federal retirement benefit. Additionally, the bill would allow for a participant to receive military service credits if that participant leaves WRS covered employment to enter military service and returns to any WRS covered employment within 180 days of discharge (current law requires the participant to return to the same WRS employer). Finally, the bill requires that DOC make additional contributions as determined by the actuary and approved by the ETF Board to cover the costs of granting the military service credits.

The Department determines military service credits at the time of retirement and is unable to determine how many WRS participants with 5 years of DOC employment may be eligible for these credits. An actuarial analysis would need to be completed to determine the potential costs to the WRS program. One-time administrative costs to ETF associated with the revision of forms and publications, training, computer program modifications, and participant inquiries would be incurred during the implementation year. In addition, on-going costs would increase due to the addition of 1.0 FTE to handle the on-going increase in participants requesting military service credits, increase in printing and other administrative costs, such as tracking and collecting the Department of Corrections related costs.

This fiscal estimate only addresses the administrative costs associated with this bill. As noted above, an actuarial analysis is needed to determine the costs to the program. The Joint Survey Committee on Retirement Systems is responsible for providing a fiscal estimate of the costs associated with the change in retirement benefits created by this bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Description creditable military service under the Wisconsin Retirement System		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$45,000		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$78,400	\$
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs	10,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$88,400	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	88,400	
III. 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		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$88,400	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
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