

**ADMINISTRATIVE RULES
FISCAL ESTIMATE
AND ECONOMIC IMPACT ANALYSIS**

Type of Estimate and Analysis		
<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected		
Administrative Rule Chapter, Title and Number		
Amend ETF 10.01(3i) and create ETF 10.85, 10.87, 20.0257, 20.38 and 20.39 regarding document compliance with the Internal Revenue Code.		
Subject		
Internal Revenue Code compliance.		
Fund Sources Affected	Chapter 20 , Stats. Appropriations Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG SEG-S		
Fiscal Effect of Implementing the Rule		
<input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs <input type="checkbox"/> Could Absorb Within Agency's Budget <input type="checkbox"/> Decrease Costs
The Rule Will Impact the Following (Check All That Apply)		
<input type="checkbox"/> State's Economy <input type="checkbox"/> Local Government Units	<input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Public Utility Rate Payers	
Would Implementation and Compliance Costs Be Greater Than \$20 million?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Policy Problem Addressed by the Rule		
This rule-making is needed to amend the existing rules and create new rules to clarify how the Wisconsin Retirement System complies with the Internal Revenue Code.		
Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)		
There is no economic and fiscal impact on small business, business sectors, public utility rate payers, local governmental units and the state's economy as a whole. The rule change addresses the need to clarify how the Wisconsin Retirement System complies with the Internal Revenue Code.		
Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule		
The rule language more accurately reflects tax requirements under IRC §§ 401 (a) (17), 415 (b) and 415 (c). The agency does not see alternatives to achieving the policy goal of the rule amendments.		
Long Range Implications of Implementing the Rule		
There are no long range economic or fiscal impacts of the rule.		
Compare With Approaches Being Used by Federal Government		
The proposed rule amendments are required to maintain written plan document compliance with federal tax requirements under IRC §§401 (a)(17), 415 (b) and 415 (c). Therefore the goal of the rule amendment is to more accurately reflect current legal requirements under the federal government.		
Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)		
Illinois – The Illinois Pension Code provides comparable provisions regarding compliance of the public employee pension system with the Internal Revenue Code.		

Iowa – The Iowa Public Employees’ Retirement System is governed by Iowa Code Chapter 97(B) and Chapter 495 of the Iowa Administrative Rules. These laws and rules provide comparable provisions regarding compliance of the public employee pension system with the Internal Revenue Code.

Michigan – Chapter 38 of the Michigan Statutes contain some provisions that are comparable regarding the State Employees’ Defined Benefit Pension Plan compliance with the Internal Revenue Code.

Minnesota – Chapters 352 to 356A of the Minnesota Statutes contain some provisions that are comparable regarding compliance of the Public Employees’ Retirement Association Defined Benefit Pension Plan with the Internal Revenue Code.