



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #302

Minor Policy and Technical Changes -- Retired Employees Benefit Supplement Reestimate (ETF -- Departmentwide)

[LFB 2003-05 Budget Summary: Page 153, #8]

CURRENT LAW

Base level funding of \$3,391,900 GPR annually is provided under a sum sufficient appropriation for the payment of benefit supplements to Wisconsin Retirement System retirees who first began receiving annuities prior to October 1, 1974. These supplements have been authorized by the Legislature through the enactment of Chapter 337, Laws of 1973, 1983 Wisconsin Act 394 and 1997 Wisconsin Act 26. Under Article IV, Section 26 of the Wisconsin Constitution, all post-retirement benefit supplements must be GPR-funded.

GOVERNOR

Reduce base level funding by \$426,400 in 2003-04 and \$887,600 in 2004-05 to reflect decreased amounts necessary to pay benefit supplements for retirees. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths.

MODIFICATION

Make the following reestimates for 2003-04 and 2004-05:

<u>2003-04</u>			<u>2004-05</u>		
<u>SB 44</u>	<u>Revised</u>	<u>Decrease</u>	<u>SB 44</u>	<u>Revised</u>	<u>Decrease</u>
\$2,965,500	\$2,950,900	-\$14,600	\$2,504,300	\$2,490,800	-\$13,500

Explanation: The revised sum sufficient estimate is based the latest available projection of the supplements to be paid during the 2003-05 biennium. The revised estimate represents a base level reduction of \$441,000 in 2003-04 and \$901,100 in 2004-05.

<u>Modification</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	-\$28,100

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