

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

**LRB #-2165/1**

**INTRODUCTION # AB 241**

Admin. Rule #

**Subject**

Health insurance coverage for former local government employees who are participants in the WRS.

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

- Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No
- Decrease Costs

Local:  No local government costs

- |  |  |  |
|--|--|--|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:<br><input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others _____<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|--|--|--|

**Fund Sources Affected**

- GPR  FED  PRO  PRS  SEG  SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate:**

Under AB 241, a new category of eligible employee is created for the purpose of group health insurance provided to former local government employees. We estimate that AB 241 will have an insignificant state fiscal effect.

Under current law, any retired public employee, other than a retired employee of the state, who is receiving an annuity from the Wisconsin Retirement System (WRS) is eligible to enroll in the annuitant health insurance program under s. 40.51 (10). AB 241 would expand eligibility under this program to any participating employee who terminates employment, who has 20 years of creditable service under the WRS, who is not receiving an annuity, and whose employer participates under the public employer group health program authorized by s. 40.51 (7).

It is estimated that approximately 850 employees have twenty years of service with employers participating under s. 40.51 (7) and would be eligible for this program if their employment is terminated. However, virtually all of these employees will likely remain with their employer until retirement and therefore, will be eligible for health insurance as annuitants. We estimate that fewer than ten employees per year will enroll under this new provision, and the increased administrative costs of enrolling this small number will be insignificant.

However, this bill will likely have an adverse effect on health insurance premiums for currently participating retirees under s. 40.51 (10). Since the full cost of health insurance premiums for this program are paid by the annuitants, no increased cost to state or local government is anticipated.

**Long-Range Fiscal Implications:**

Unknown.

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**Date**

4-9-99