



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2017 Senate Bill 97**

**Senate Amendments 1 and 2**

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### **BACKGROUND**

Under current law, if a city, village, or town (“municipality”) provides for the payment of premiums for hospital, surgical, and other health insurance for its firefighters, it must continue to pay such premiums for the surviving spouse and dependent children of a firefighter who dies in the line of duty. Payments for the surviving spouse must continue until he or she remarries or reaches age 65. Payments for a dependent child must continue until the child reaches age 18, at a minimum, and may be required to continue up to age 27 if the child is a student, as specified in the statutes.

### **2017 SENATE BILL 97**

Senate Bill 97 establishes a health insurance benefit and loan program for the surviving spouse and dependent children of certain public employees who die in the line of duty. The program applies to:

- Firefighters employed by a municipality or the state.
- Emergency medical services practitioners (EMSPs) employed by a municipality or a county.
- Law enforcement officers (LEOs) employed by a municipality, a county, or the state.

The bill defines a death “in the line of duty” as a death that is a direct and proximate result of a personal injury, contraction of an infectious disease, or exposure to hazardous materials or conditions while engaged in a line of duty activity, or that arose out of and as a result of performance of a line of duty activity.

### **Health Insurance Benefit**

Senate Bill 97 leaves in place current statutes regarding continuation of premiums for survivors of **municipal firefighters** who die in the line of duty, as described above. However, the bill requires the Department of Administration (DOA) to reimburse the municipality for the payment of the premiums, to be offset with a reduction in the County and Municipal Aid Account, as specified in the bill.

In addition, the bill establishes similar requirements for continuation of premiums for survivors of **municipal- or county-employed EMSPs and LEOs** who die in the line of duty. If the municipality or county provides for the payment of premiums for hospital, surgical, and other health insurance for its EMSPs or LEOs, it must continue to pay such premiums for the surviving spouse and dependent children of an EMSP or LEO who dies in the line of duty. Payments must continue until the same ages specified for municipal firefighters under current law. Also, as in the case of municipal firefighters, the bill requires DOA to provide reimbursement to the municipality or county, offset with a reduction in the County and Municipal Aid Account.

The bill also establishes similar requirements for continuation of premiums for **state-employed firefighters and LEOs**. The bill requires DOA to pay the premiums for hospital, surgical, and other health insurance for survivors of a state firefighter or LEO who dies in the line of duty. DOA must either reimburse the survivors for the payment of the premiums or pay the premiums directly to the Department of Employee Trust Funds for coverage under the State Employee Health Program. Payments are funded from the general fund, and must continue until the same ages specified for municipal firefighters under current law.

### **Loan Program**

Senate Bill 97 also provides for a loan to be made to the surviving spouse of any of the public employees who die in the line of duty to which the health insurance benefit applies, as described above. The loan must be in an amount equal to the salary that would have been paid to the deceased employee had he or she not died in the line of duty. The loan must be disbursed to coincide with the pay period that applied to the deceased spouse. The loan must be secured by the proceeds of an insurance policy on the life of the deceased employee, and it must come due upon receipt of the proceeds from the policy.

### **Retroactive Effect**

Senate Bill 97 applies retroactively and covers surviving spouses and dependent children of firefighters, EMSPs, and LEOs who died at any time in the line of duty, but only with respect to future health insurance benefits and loans.

### **SENATE AMENDMENT 1 TO 2017 SENATE BILL 97**

Senate Amendment 1 changes a reference to the initial year of an offsetting reduction in a specified account in connection with DOA's reimbursement of a county or municipality under

the bill. The amendment changes the reference to “2018” so that it will be the first year to which the reduction applies, instead of 2015 as originally stated.

The amendment also requires DOA to annually notify the Department of Revenue of the amount of the payments to be distributed for each county or municipality under the bill for the following year.

### **SENATE AMENDMENT 2 TO 2017 SENATE BILL 97**

Senate Amendment 2 modifies the maximum age for inclusion of a surviving dependent child in the health insurance benefit and loan program established under the bill. The amendment provides that a surviving dependent child is included until age 22, in all cases.

The amendment also removes **municipal- and state-employed firefighters** from the health insurance benefit and loan program established under the bill. It leaves the provisions in current law in place regarding premiums for survivors of municipal firefighters who die in the line of duty (except that the maximum age for a surviving dependent of the municipal firefighter is reduced to age 22 under the amendment, as described above).

The amendment provides that the Act will first apply to an EMSP or LEO who dies in the line of duty on the effective date of the Act, instead of applying retroactively to those who died at any time as originally stated.

### **BILL HISTORY**

Senate Amendment 1 was offered by Senator Wanggaard on March 27, 2017, and Senate Amendment 2 was offered by the Senate Committee on Insurance, Financial Services, Constitution and Federalism on March 14, 2018. On the latter date, the Senate Committee recommended adoption of both amendments, and passage of the bill, as amended, on votes of Ayes, 5; Noes, 0.

BL:jal