

# State of Wisconsin



1995 Assembly Bill 684

Date of enactment: **November 22, 1995**

Date of publication\*: **November 24, 1995**

## 1995 WISCONSIN ACT 89

AN ACT *to amend* 20.515 (1) (c), 40.04 (10) and 40.05 (4) (br) 1.; and *to create* 40.02 (22) (g), 40.04 (11), 40.05 (4) (bw), 40.05 (4) (by) and subchapter IX of chapter 40 [precedes 40.95] of the statutes; **relating to:** ratification of the agreement negotiated between the state of Wisconsin and the Wisconsin State Employees Union, AFSCME Council 24, and its appropriate affiliated locals, AFL-CIO, for the 1995-97 biennium, covering employees in the clerical and related collective bargaining unit, and authorizing an expenditure of funds; requiring the department of employe trust funds to administer a program for awarding credits for the payment of health insurance premiums by retired state employees covered by a collective bargaining agreement; and making an appropriation.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 20.515 (1) (c) of the statutes is amended to read:

20.515 (1) (c) *Contingencies.* A sum sufficient to make all payments due other parties under subchs. III to VI ~~and~~ VIII ~~and~~ IX of ch. 40 when the moneys for the payment have not yet been received by the public employe trust fund. The public employe trust fund shall reimburse this appropriation as soon as moneys are received for the cost of the payments.

**SECTION 2.** 40.02 (22) (g) of the statutes is created to read:

40.02 (22) (g) Does not include credits for the payment of health insurance premiums provided under s. 40.05 (4) (bw) or subch. IX or any sabbatical or vacation leave converted into such credits.

**SECTION 3.** 40.04 (10) of the statutes is amended to read:

40.04 (10) An accumulated sick leave conversion account shall be maintained within the fund, to which shall be credited all money received under s. 40.05 (4) (b), (bc)

~~and~~, (bm), ~~(br)~~ and ~~(bw)~~ for health insurance premiums, as dividends or premium credits arising from the operation of health insurance plans and from investment income on any reserves established in the fund for health insurance purposes for retired employes and their surviving dependents. Premium payments to health insurers authorized in s. 40.05 (4) (b), (bc) ~~and~~, (bm) ~~and~~ (bw) shall be charged to this account. This subsection does not prohibit the direct payment of premiums to insurers when appropriate administrative procedures have been established for direct payments.

**SECTION 4.** 40.04 (11) of the statutes is created to read:

40.04 (11) A health insurance premium credit account shall be maintained within the fund, to which shall be credited all moneys received under s. 40.05 (4) (by) for the payment of health insurance premiums, as dividends or premium credits arising from the operation of health insurance plans and from investment income on any reserves established in the fund for health insurance purposes for retired employes and their surviving dependents. Premium payments to health insurers authorized in subch. IX may only be charged to this account after all

\* Section 991.11, WISCONSIN STATUTES 1993-94: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

other health insurance premium credits under s. 40.05 (4) (b), (bc), (bm) and (bw) are exhausted. This subsection does not prohibit the direct payment of premiums to insurers when appropriate administrative procedures have been established for direct payments.

**SECTION 5.** 40.05 (4) (br) 1. of the statutes is amended to read:

40.05 (4) (br) 1. Employers shall pay contributions that shall be sufficient to pay for the present value of the present and future benefits authorized under pars. (b) and (bc) and (bw). Subject to subd. 2., the board shall annually determine the contribution rate upon certification by the actuary of the department. The contribution rates determined under this paragraph shall become effective on January 1 of the calendar year in which they are applicable and shall remain in effect during that year, except that in 1985 the contribution rates shall become effective on July 1 and shall remain in effect during the remainder of 1985.

**SECTION 6.** 40.05 (4) (bw) of the statutes is created to read:

40.05 (4) (bw) On converting accumulated unused sick leave to credits for the payment of health insurance premiums under par. (b), the department shall add additional credits, calculated in the same manner as are credits under par. (b), that are based on a state employee's accumulated sabbatical leave or earned vacation leave from the state employee's last year of service prior to retirement, or both. The department shall apply the credits awarded under this paragraph for the payment of health insurance premiums only after the credits awarded under par. (b) are exhausted. This paragraph applies only to state employees who are eligible for accumulated unused sick leave conversion under par. (b) and who are entitled to the benefits under this paragraph pursuant to a collective bargaining agreement under subch. V of ch. 111.

**SECTION 7.** 40.05 (4) (by) of the statutes is created to read:

40.05 (4) (by) 1. Employers shall pay contributions that are sufficient to pay for the present value of the present and future benefits authorized under subch. IX. Except as provided in subd. 2., the board shall annually determine the contribution rate upon certification by the actuary of the department. The contribution rates determined under this paragraph shall become effective on January 1 of the calendar year in which they are applicable and shall remain in effect during that year.

2. Beginning on the effective date of this subdivision .... [revisor inserts date], and ending on June 30, 1997, each employer shall pay contributions equal to the dollar value of the credits awarded to its re-

tired employees under subch. IX, as determined and directed by the department. The board, upon certification by the actuary, shall determine the contribution rate to be paid by employers for the period beginning on July 1, 1997, and ending on December 31, 1997. In determining the contribution rate for this period, the board shall consider any remaining unfunded present and future liability for any benefits arising under subch. IX before July 1, 1997.

**SECTION 8.** Subchapter IX of chapter 40 [precedes 40.95] of the statutes is created to read:

**CHAPTER 40**  
**SUBCHAPTER IX**  
**HEALTH INSURANCE PREMIUM**  
**CREDITS**

**40.95 Health insurance premium credits.** The department shall administer a program that provides health insurance premium credits for the purchase of health insurance for a retired employe, or the retired employe's surviving insured dependents, to eligible employes whose compensation is established under a collective bargaining agreement pursuant to subch. V of ch. 111 and includes such health insurance premium credits.

**SECTION 9. Nonstatutory provisions.**

(1) AGREEMENT RATIFIED. The legislature ratifies the tentative agreement negotiated for the 1995-97 biennium between the state of Wisconsin, department of employment relations, and the Wisconsin State Employees Union, AFSCME Council 24, and its appropriate affiliated locals, AFL-CIO, covering employes in the clerical and related collective bargaining unit under subchapter V of chapter 111 of the statutes, as approved by the employes of the clerical and related collective bargaining unit and approved and recommended by the joint committee on employment relations and authorizes the necessary expenditure of moneys for implementation from the appropriations made by section 20.865 (1) of the statutes, subject to section 20.865 (intro.) of the statutes. The secretary of employment relations shall file an official copy of the agreement, certified by the cochairpersons of the joint committee on employment relations, with the secretary of state. No formal or informal agreement between the parties which is not a part of the official copy is deemed to be approved by the legislature under this act.

**SECTION 10. Effective date.**

(1) This act takes effect on the day following publication, except that those provisions specifically identified as having other effective dates in the agreement covering employes in the clerical and related collective bargaining unit are effective on the dates provided in that agreement.