



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1405/P3
FFK:jld

DOA:.....Sherwin, BB0251 - Eliminate domestic partnership benefits

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

For purposes of WRS, this bill limits domestic partners to only those individuals who submitted an affidavit of domestic partnership to DETF before the effective date of the bill. This bill also prohibits the Group Insurance Board from covering an eligible employee's domestic partner or stepchild under a domestic partnership in a group health insurance plan offered by the GIB and eliminates the option for a surviving domestic partner to purchase health insurance coverage under a group health insurance plan offered by GIB. Finally, for deaths occurring on or after January 1, 2018, the bill provides that a surviving domestic partner is not a default beneficiary for purposes of a deferred compensation plan and is not eligible to receive duty disability survivorship benefits.

Currently, under the WRS, participants who are in a domestic partnership may file an affidavit of domestic partnership with DETF and have their domestic partners treated like spouses for benefit purposes under the WRS, unless otherwise prohibited by federal law. For purposes of the WRS, a domestic partnership is a relationship between two individuals who 1) are at least 18 years old; 2) are not married or in another domestic partnership; 3) share a common residence; 4) are not related by blood in any way that would prohibit marriage under state law; 5) consider themselves to be members of each other's immediate family; and 6) agree to be responsible for each other's basic living expenses.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 40.02 (8) (b) 3. of the statutes is created to read:

40.02 (8) (b) 3. For purposes of a deferred compensation plan, a surviving domestic partner.

SECTION 2. 40.02 (21d) (intro.) of the statutes is amended to read:

40.02 (21d) (intro.) “Domestic partnership” means a relationship between 2 individuals, who submitted an affidavit of domestic partnership to the department before the effective date of this subsection ... [LRB inserts date], that satisfies all of the following:

SECTION 3. 40.02 (25) (b) 3. of the statutes is amended to read:

40.02 (25) (b) 3. The surviving spouse ~~or domestic partner~~ of an employee, or of a retired employee, who is currently covered by health insurance at the time of death of the employee or retired employee. The spouse ~~or domestic partner~~ shall have the same right to health insurance coverage as the deceased employee or retired employee, but without state contribution, under rules promulgated by the secretary.

SECTION 4. 40.51 (2m) (a) of the statutes is amended to read:

40.51 (2m) (a) In addition to the restriction under par. (b), neither a domestic partner of an eligible employee nor a stepchild of a current domestic partnership may ~~not become~~ be covered under a group health insurance plan under this subchapter unless the eligible employee submits an affidavit, designed by the group insurance board, attesting that the eligible employee and his or her domestic partner satisfy the requirements for a domestic partnership under s. 40.02 (21d). ~~The eligible~~

~~employee shall submit this affidavit to his or her employer at the time the eligible employee first enrolls in a group health insurance plan under this subchapter or at the time the eligible employee requests a change in dependent status while the eligible employee is enrolled in a group health insurance plan under this subchapter. Upon the dissolution of a domestic partnership, the eligible employee shall submit in a timely manner to his or her employer an affidavit, designed by the group insurance board, attesting to the dissolution of the domestic partnership.~~

SECTION 5. 40.51 (2m) (b) of the statutes is amended to read:

40.51 **(2m)** (b) If an eligible employee is divorced or was a domestic partner in a dissolved domestic partnership, the eligible employee may not enroll a new spouse ~~or domestic partner~~ in a group health insurance plan under this subchapter until 6 months have elapsed since the date of the divorce or dissolved domestic partnership.

SECTION 6. 40.513 (3) (b) of the statutes is amended to read:

40.513 **(3)** (b) The employee's spouse ~~or domestic partner~~ is receiving health care coverage under s. 40.51 (6).

SECTION 7. 40.52 (2) of the statutes is amended to read:

40.52 **(2)** Health insurance benefits under this subchapter shall be integrated, with exceptions determined appropriate by the group insurance board, with benefits under federal plans for hospital and health care for the aged and disabled. Exclusions and limitations with respect to benefits and different rates may be established for persons eligible under federal plans for hospital and health care for the aged and disabled in recognition of the utilization by persons within the age limits eligible under the federal program. The plan may include special provisions for spouses, ~~domestic partners~~, and other dependents covered under a plan established under this subchapter where one spouse ~~or domestic partner~~ is eligible

under federal plans for hospital and health care for the aged but the others are not eligible because of age or other reasons. As part of the integration, the department may, out of premiums collected under s. 40.05 (4), pay premiums for the federal health insurance.

SECTION 8. 40.55 (1) of the statutes is amended to read:

40.55 (1) Except as provided in sub. (5), the state shall offer, through the group insurance board, to eligible employees under s. 40.02 (25) (bm) and to state annuitants long-term care insurance policies which have been filed with the office of the commissioner of insurance and which have been approved for offering under contracts established by the group insurance board. The state shall also allow an eligible employee or a state annuitant to purchase those policies for his or her spouse, domestic partner, or parent.

SECTION 9. 40.65 (7) (am) (intro.) of the statutes is amended to read:

40.65 (7) (am) (intro.) This paragraph applies to benefits based on applications filed on or after May 3, 1988. If a protective occupation participant dies as a result of an injury or a disease for which a benefit is paid or would be payable under sub. (4), and the participant is survived by a spouse, domestic partner, or an unmarried child under the age of 18, a monthly benefit shall be paid as follows:

SECTION 10. 40.65 (7) (am) 1. of the statutes is amended to read:

40.65 (7) (am) 1. To the surviving spouse ~~or domestic partner~~ until the surviving spouse remarries ~~or the surviving domestic partner enters into a new domestic partnership or marries~~, if the spouse was married to the participant on the date that the participant was disabled under sub. (4) ~~or the domestic partner was in a domestic partnership with the participant on the date that the participant was~~

~~disabled under sub. (4), 50 percent of the participant's monthly salary at the time of death, but reduced by any amount payable under sub. (5) (b) 1. to 6.~~

SECTION 11. 40.65 (7) (am) 2. of the statutes is amended to read:

40.65 (7) (am) 2. To a guardian for each of that guardian's wards who is an unmarried surviving child under the age of 18, 10 percent of the participant's monthly salary at the time of death, payable until the child marries, dies or reaches the age of 18, whichever occurs first. ~~The marital or domestic partnership status of the surviving spouse or domestic partner shall have~~ has no effect on the payments under this subdivision.

SECTION 12. 40.65 (7) (ar) 1. (intro.) of the statutes is amended to read:

40.65 (7) (ar) 1. (intro.) This paragraph applies to benefits based on applications filed on or after May 12, 1998. If a protective occupation participant, who is covered by the presumption under s. 891.455, dies as a result of an injury or a disease for which a benefit is paid or would be payable under sub. (4), and the participant is survived by a spouse, ~~domestic partner,~~ or an unmarried child under the age of 18, a monthly benefit shall be paid as follows:

SECTION 13. 40.65 (7) (ar) 1. a. of the statutes is amended to read:

40.65 (7) (ar) 1. a. To the surviving spouse ~~or domestic partner~~ until the surviving spouse ~~or domestic partner~~ remarries ~~or enters into a new domestic partnership,~~ if the surviving spouse was married to the participant on the date that the participant was disabled under sub. (4) ~~or the domestic partner was in a domestic partnership with the participant on the date that the participant was disabled under~~ sub. (4), 70 percent of the participant's monthly salary at the time of death, but reduced by any amount payable under sub. (5) (b) 1. to 6.

SECTION 14. 40.65 (7) (ar) 1. b. of the statutes is amended to read:

40.65 (7) (ar) 1. b. If there is no surviving spouse ~~or domestic partner~~ or the surviving spouse ~~or domestic partner~~ subsequently dies, to a guardian for each of that guardian's wards who is an unmarried surviving child under the age of 18, 10 percent of the participant's monthly salary at the time of death, payable until the child marries, dies or reaches the age of 18, whichever occurs first.

SECTION 15. 40.80 (2r) (a) 2. of the statutes is amended to read:

40.80 (2r) (a) 2. Assigns all or part of a participant's accumulated assets held in a deferred compensation plan under this subchapter to a spouse, former spouse, ~~domestic partner, former domestic partner,~~ child, or other dependent to satisfy a family support or marital property obligation.

SECTION 9314. Initial applicability; Employee Trust Funds.

(1) HEALTH CARE BENEFITS FOR DOMESTIC PARTNERS. The treatment of sections 40.02 (25) (b) 3., 40.51 (2m) (a) and (b), and 40.52 (2) of the statutes first applies to coverage under group insurance plans offered by the group insurance board on January 1, 2018.

(2) DUTY DISABILITY SURVIVORSHIP BENEFITS AND DEFERRED COMPENSATION PLANS; DOMESTIC PARTNERS. The treatment of sections 40.02 (8) (b) 3. and 40.65 (7) (am) (intro.), 1., and 2. and (ar) 1. (intro.), a., and b. of the statutes first applies to benefits paid to a survivor of a participant who dies on January 1, 2018.

SECTION 9414. Effective dates; Employee Trust Funds.

(1) DUTY DISABILITY SURVIVORSHIP BENEFITS AND DEFERRED COMPENSATION PLANS; DOMESTIC PARTNERS. The treatment of sections 40.02 (8) (b) 3., 40.65 (7) (am) (intro.), 1., and 2. and (ar) 1. (intro.), a., and b., and 40.80 (2r) (a) 2. of the statutes takes effect on January 1, 2018.

(END)