State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2586/1
RAC:cmh:km

1999 SENATE BILL 187

June 8, 1999 - Introduced by Senators RISSER, BURKE, SCHULTZ, RUDE and ERPENBACH, cosponsored by Representatives FREESE, MILLER, TRAVIS, BOYLE, MUSSER, TURNER, BLACK, PLOUFF, POWERS, BERCEAU, YOUNG and SERATTI. Referred to Committee on Economic Development, Housing and Government Operations.

AN ACT ***to amend*** 40.05 (4) (b); and ***to repeal and recreate*** 40.05 (4) (bd) of the statutes; **relating to:** eliminating the time period in which state employes must use accumulated sick leave credits to purchase state group health insurance.

Analysis by the Legislative Reference Bureau

Under current law, with certain exceptions, if a state employe who is eligible for coverage under the state group health insurance program terminates employment in a position that is covered under the Wisconsin retirement system (WRS) and has attained the minimum age to begin receiving a retirement benefit under the WRS, or if a state employe who is eligible for coverage under the state group health insurance program is laid off, the employe's accumulated unused sick leave may be converted, at his or her basic pay rate immediately prior to termination, to credits for the payment of health insurance premiums during the employe's retirement or period of layoff. Current law also provides that, upon conversion of the unused sick leave to credits, the employe must begin to use the sick leave credits for the purchase of state group health insurance no later than ten years after the date of conversion. This bill eliminates this ten year requirement.

For further information see the ***state*** 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. 40.05 (4) (b) of the statutes is amended to read:

40.05 **(4)** (b) Except as provided under pars. (bc) and (bp), accumulated unused sick leave under ss. 13.121 (4), 36.30, 230.35 (2), 233.10 and 757.02 (5) and subch. I or V of ch. 111 of any eligible employe shall, at the time of death, upon qualifying for an immediate annuity or for a lump sum payment under s. 40.25 (1) or upon termination of creditable service and qualifying as an eligible employe under s. 40.02 (25) (b) 6. or 10., be converted, at the employe's current basic pay rate, to credits for payment of health insurance premiums on behalf of the employe or the employe's surviving insured dependents. Any supplemental compensation that is paid to a state employe who is classified under the state classified civil service as a teacher, teacher supervisor or education director for the employe's completion of educational courses that have been approved by the employe's employer is considered as part of the employe's basic pay for purposes of this paragraph. The full premium for any eligible employe who is insured at the time of retirement, or for the surviving insured dependents of an eligible employe who is deceased, shall be deducted from the credits until the credits are exhausted and paid from the account under s. 40.04 (10), and then deducted from annuity payments, if the annuity is sufficient. The department shall provide for the direct payment of premiums by the insured to the insurer if the premium to be withheld exceeds the annuity payment. Except as provided in par. (bd), upon conversion of an employe's unused sick leave to credits under this paragraph or par. (bf), the employe or, if the employe is deceased, the employe's

surviving insured dependents may elect to delay initiation of deductions from those credits for ~~up to 10 years after the date of the conversion~~ any period of time if the employe or surviving insured dependents are covered by a comparable health insurance plan or policy during the period beginning on the date of the conversion and ending on the last day of the 2nd month after the date on which the employe or surviving insured dependents later elect to initiate deductions from those credits. A health insurance plan or policy is considered comparable if it provides hospital and medical benefits that are substantially equivalent to the standard health insurance plan established under s. 40.52 (1).

SECTION 2. 40.05 (4) (bd) of the statutes is repealed and recreated to read:

40.05 **(4)** (bd) If a retired employe or the retired employe's surviving insured dependents elected before the effective date of this paragraph .... [revisor inserts date], to delay initiation of deductions from the employe's sick leave credits and those deductions have been initiated, but have not been terminated, before the date on which the employe or surviving insured dependents submit an election under subd. 1., or if a retired employe or the surviving insured dependents of a retired employe who terminated creditable service before the effective date of this paragraph .... [revisor inserts date], elected to delay initiation of deductions from the employe's sick leave credits and those deductions have not been initiated before the date on which the employe or surviving insured dependents submit an election under subd. 1., the retired employe or surviving insured dependents may elect to delay continuation or initiation of those deductions for any period of time after the date on which the employe's unused sick leave was converted to those credits if all of the following apply:

1. The retired employe or surviving insured dependents make the election on a form provided by the department and submit the election to the department no later than the first day of the 6th month beginning immediately after the effective date of this subdivision .... [revisor inserts date].

2. The retired employe or surviving insured dependents are covered by a comparable health insurance plan or policy during the period beginning on the date on which the employe or surviving insured dependents submit an election under subd. 1. and ending on the last day of the 2nd month after the date on which the employe or surviving insured dependents later elect to continue or initiate the deductions. A health insurance plan or policy is considered comparable if it provides hospital and medical benefits that are substantially equivalent to the standard health insurance plan established under s. 40.52 (1).

(END)