



## 2005 ASSEMBLY BILL 83

February 3, 2005 – Introduced by Representatives TOWNS, HUNDERTMARK, WARD, KAUFERT, NISCHKE, KESTELL, GUNDERSON, KERKMAN, HINES, MUSSER, FIELDS, LEHMAN, MOULTON, OWENS, SHERIDAN, STONE, McCORMICK, WOOD and VRAKAS. Referred to Committee on Government Operations and Spending Limitations.

1     **AN ACT** *to create* 40.54 of the statutes; **relating to:** payment of stipend to state  
2           employees who do not elect coverage under the state employee health care  
3           coverage plan.

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### *Analysis by the Legislative Reference Bureau*

Currently, state employees may receive health care coverage under plans offered by the Group Insurance Board (board) and they are also eligible to receive employer contributions toward the payment of their health insurance premiums. Except as otherwise provided in collective bargaining agreements and the state compensation plan, the state must pay for its employees who work 1,566 or more hours a year an amount not less than 80 percent of the average premium cost of plans offered in the tier of health insurance plans with the lowest premium cost. The employee is required to pay any additional premium cost.

This bill permits a state employee to elect not to receive health care coverage under a plan offered by the board and instead elect to be paid a monthly stipend equal to 25 percent of the lowest monthly premium amount that the state would otherwise have been required to pay on his or her behalf for health care coverage. In order to qualify for the stipend, the employee must be eligible for employer contributions toward premium payments and must also be covered under another group health plan or health insurance plan or policy and furnishes proof satisfactory to the Department of Employee Trust Funds of such coverage.

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

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

1           **SECTION 1.** 40.54 of the statutes is created to read:

2           **40.54 Payment of stipend in lieu of health care coverage for state**  
3 **employees. (1)** A state employee who is eligible to receive health care coverage  
4 under s. 40.51 (6) may elect not to receive that coverage and instead be paid a  
5 monthly stipend equal to 25 percent of the lowest monthly premium amount that his  
6 or her employer would otherwise have been required to pay on his or her behalf under  
7 s. 40.05 (4) (ag) for that health care coverage if all of the following occur:

8           (a) The state employee is eligible for an employer contribution under s. 40.05  
9 (4) (ag).

10           (b) The state employee is covered under another group health plan or health  
11 insurance plan or policy and furnishes proof satisfactory to the department of such  
12 coverage.

13           (c) The state employee makes the election on a form provided by the  
14 department.

15           (d) Annually, the state employee makes the election during any applicable  
16 enrollment period established by the department.

17           **(2)** If a state employee who is receiving a stipend under sub. (1) ceases to be  
18 covered under another group health plan or health insurance plan or policy, the state  
19 employee may not receive the stipend under sub. (1) and, notwithstanding s. 40.51  
20 (2), shall become immediately eligible for health care coverage under s. 40.51 (6) and

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1 his or her employer shall pay the required employer premium contribution under s.  
2 40.05 (4) (ag) for that state employee.

3 **(3)** A stipend paid to a state employee under sub. (1) shall be paid from the  
4 appropriation account that would otherwise have been used to pay the employer  
5 contribution toward premium payments under s. 40.05 (4) (ag) for that state  
6 employee.

7 **(END)**