



1999 ASSEMBLY BILL 241

March 23, 1999 - Introduced by Representatives SKINDRUD, BOCK, GOETSCH, GRONEMUS, HUEBSCH, F. LASEE, M. LEHMAN, MILLER, MUSSER, SPILLNER, SYKORA and URBAN, cosponsored by Senator ROBSON. Referred to Committee on State Affairs.

1 **AN ACT to amend** 20.515 (1) (s), 40.51 (10) and 40.52 (4); and **to create** 40.02 (25)
2 (b) 9m. and 40.05 (4) (ae) of the statutes; **relating to:** health insurance coverage
3 for former local government employes who are participants in the Wisconsin
4 retirement system.

Analysis by the Legislative Reference Bureau

Under current law, the group insurance board (GIB) offers a health care coverage plan to public employers, other than the state, in which the employer may obtain health care coverage for its employes. In addition, GIB offers a health care coverage plan to retired employes who are receiving an annuity under the Wisconsin retirement system (WRS).

This bill provides that any participating employe in the WRS who terminates creditable service after attaining 20 years of creditable service in the WRS, who is not receiving a WRS annuity and who was employed by a public employer, other than the state, that had acted to make health care coverage available to its employes under a GIB plan, may elect to receive health care coverage under a GIB plan. In order to receive health care coverage under the GIB plan, the employe must elect coverage within 60 days after the date on which he or she ceases to be a participating employe and must pay the cost of the required premiums. If the employe does not elect at this time, or if he or she later cancels the insurance, the employe may not subsequently become insured under the GIB plan unless the employe furnishes evidence of insurability satisfactory to the insurer, at the employe's expense or obtains coverage subject to contractual waiting periods.

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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:

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

2 20.515 (1) (s) *Benefit and coverage payments; employers other than the state;*
3 *retired employes.* All moneys received for health care coverage by the public employe
4 trust fund from eligible employes, as defined in s. 40.02 (25) (b) 9m. and 11., and from
5 employers, as defined in s. 40.02 (28), other than the state, and their employes
6 electing to be included in health care coverage plans through a program offered by
7 the group insurance board for payment of benefits and the costs of administering
8 benefits under s. 40.51 (7) and (10). Estimated disbursements under this paragraph
9 shall not be included in the schedule under s. 20.005.

10 **SECTION 2.** 40.02 (25) (b) 9m. of the statutes is created to read:

11 40.02 (25) (b) 9m. A participating employe who terminates creditable service
12 after attaining 20 years of creditable service, who is not receiving an annuity under
13 the Wisconsin retirement system and who was employed by an employer that had
14 acted under s. 40.51 (7) to make health care coverage available to its employes;

15 **SECTION 3.** 40.05 (4) (ae) of the statutes is created to read:

16 40.05 (4) (ae) For health insurance, each eligible employe, as defined in s. 40.02
17 (25) (b) 9m., who elects coverage under s. 40.51 (10) shall pay the entire amount of
18 the required premiums.

19 **SECTION 4.** 40.51 (10) of the statutes is amended to read:

20 40.51 (10) ~~Beginning on July 1, 1988, any~~ Any eligible employe, as defined in
21 s. 40.02 (25) (b) 9m. or 11., may become covered by group health insurance by electing

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1 coverage within 60 days after the date on which he or she ceases to be a participating
2 employe, and by paying the cost of the required premiums, as provided in s. 40.05 (4)
3 (ad) or (ae), whichever is applicable. Any eligible employe who does not so elect at
4 the time specified, or who later cancels the insurance, shall not thereafter become
5 insured unless the employe furnishes evidence of insurability satisfactory to the
6 insurer, at the employe's expense or obtains coverage subject to contractual waiting
7 periods, and pays the cost of the required premiums, as provided in s. 40.05 (4) (ad)
8 or (ae), whichever is applicable. The method of payment shall be specified in the
9 health insurance contract.

10 **SECTION 5.** 40.52 (4) of the statutes is amended to read:

11 40.52 (4) The group insurance board shall establish the terms of health
12 insurance plans for eligible employes, as defined under s. 40.02 (25) (b) 9., 9m. and
13 11., who elect coverage under s. 40.51 (7) or (10).

14 **SECTION 6. Initial applicability.**

15 (1) This act first applies to elections to receive health care coverage under
16 section 40.51 (10) of the statutes by eligible employes, as defined in section 40.02 (25)
17 (b) 9m. of the statutes, who terminate covered employment under the Wisconsin
18 retirement system on the effective date of this subsection.

19 (END)