



## 2001 SENATE BILL 239

September 12, 2001 - Introduced by Senators RISSER, BURKE, PLACHE, HANSEN and SCHULTZ, cosponsored by Representatives BERCEAU, BOYLE, POCAN, MUSSER, TURNER, J. LEHMAN, BLACK, MILLER, RYBA and SYKORA. Referred to Committee on Universities, Housing, and Government Operations.

1     **AN ACT to amend** 40.05 (4) (b) and 40.05 (4) (bm) of the statutes; **relating to:**  
2     the valuation of a state employee's accumulated sick leave credits for the  
3     payment of health insurance premiums under a group health insurance  
4     program administered by the group insurance board.

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### *Analysis by the Legislative Reference Bureau*

Under current law, with certain exceptions, if a state employee 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 WRS, or if a state employee who is eligible for coverage under the state group health insurance program is laid off, the employee'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 under the state plan during the employee's retirement or period of layoff.

Currently, any supplementary compensation that is paid for the completion of educational courses to state employees who are classified as teachers, teacher supervisors, or education directors is considered as part of the employees' basic pay for the purposes of the sick leave conversion program if the courses have been approved by the employee's employer. This is not the case for such supplementary compensation paid to other state employees.

This bill provides that any supplementary compensation, other than supplemental compensation relating to shift differentials or standby pay, that is paid

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to any state employee is to be considered as part of the employee's basic pay for the purposes of the sick leave conversion program at the time of retirement. If an employee is laid off, the bill provides that any supplemental compensation, other than supplemental compensation relating to shift differentials or standby pay, that is paid to a state employee may be considered part of the employee's basic pay for the purpose of the sick leave conversion program during the period of layoff.

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.** 40.05 (4) (b) of the statutes is amended to read:

2           40.05 (4) (b) Except as provided under pars. (bc) and (bp), accumulated unused  
3 sick leave under ss. 13.121 (4), 36.30, 230.35 (2), 233.10, and 757.02 (5) and subch.  
4 I or V of ch. 111 of any eligible employee shall, at the time of death, upon qualifying  
5 for an immediate annuity or for a lump sum payment under s. 40.25 (1) or upon  
6 termination of creditable service and qualifying as an eligible employee under s.  
7 40.02 (25) (b) 6. or 10., be converted, at the employee's current basic pay rate, to  
8 credits for payment of health insurance premiums on behalf of the employee or the  
9 employee's surviving insured dependents. Any supplemental compensation, other  
10 than supplemental compensation relating to shift differentials or standby pay, that  
11 is paid to a state employee who is classified under the state classified civil service as  
12 a teacher, teacher supervisor or education director for the employee's completion of  
13 educational courses that have been approved by the employee's employer an eligible  
14 employee is considered as part of the employee's basic pay for purposes of this  
15 paragraph. The full premium for any eligible employee who is insured at the time  
16 of retirement, or for the surviving insured dependents of an eligible employee who  
17 is deceased, shall be deducted from the credits until the credits are exhausted and  
18 paid from the account under s. 40.04 (10), and then deducted from annuity payments,

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1 if the annuity is sufficient. The department shall provide for the direct payment of  
2 premiums by the insured to the insurer if the premium to be withheld exceeds the  
3 annuity payment. Except as provided in par. (bd), upon conversion of an employee's  
4 unused sick leave to credits under this paragraph or par. (bf), the employee or, if the  
5 employee is deceased, the employee's surviving insured dependents may elect to  
6 delay initiation of deductions from those credits for any period of time if the employee  
7 or surviving insured dependents are covered by a comparable health insurance plan  
8 or policy during the period beginning on the date of the conversion and ending on the  
9 last day of the 2nd month after the date on which the employee or surviving insured  
10 dependents later elect to initiate deductions from those credits. A health insurance  
11 plan or policy is considered comparable if it provides hospital and medical benefits  
12 that are substantially equivalent to the standard health insurance plan established  
13 under s. 40.52 (1).

14 **SECTION 2.** 40.05 (4) (bm) of the statutes is amended to read:

15 40.05 (4) (bm) Except as provided under par. (bp), accumulated unused sick  
16 leave under ss. 36.30 and 230.35 (2) or 233.10 of any eligible employee shall, upon  
17 request of the employee at the time the employee is subject to layoff under s. 40.02  
18 (40), be converted at the employee's current basic pay rate to credits for payment of  
19 health insurance premiums on behalf of the employee. Any supplemental  
20 compensation, other than supplemental compensation relating to shift differentials  
21 or standby pay, that is paid to ~~a state employee who is classified under the state~~  
22 ~~classified civil service as a teacher, teacher supervisor or education director for the~~  
23 ~~employee's completion of educational courses that have been approved by the~~  
24 ~~employee's employer~~ an eligible employee is considered as part of the employee's  
25 basic pay for purposes of this paragraph. The full amount of the required employee

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**SECTION 2**

1 contribution for any eligible employee who is insured at the time of the layoff shall  
2 be deducted from the credits until the credits are exhausted, the employee is  
3 reemployed, or 5 years have elapsed from the date of layoff, whichever occurs first.

4 **SECTION 3. Initial applicability.**

5 (1) This act first applies to supplemental compensation that is paid to an  
6 eligible employee on the effective date of this subsection.

7 (END)