

2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: **06/09/2003**

Received By: **pdykman**

Wanted: **Today**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing:

This file may be shown to any legislator: **NO**

Drafter: **pdykman**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - employee benefits**

Extra Copies: **RAC
JTK**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

LFB:.....Zimmerman -

Topic:

Accumulated unused sick leave conversion program

Instructions:

See Attached 03B0052/1 WITH CHANGES IDENTIFIED IN ITS DNOTE

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|-----------------------|--------------------|------------------------|----------------|-----------------------|-----------------|-----------------|
| /? | pdykman 06/09/2003 | jdye 06/09/2003 | | _____ | | | |
| /1 | | | rschluet 06/09/2003 | _____ | mbarman 06/09/2003 | | |

FE Sent For:

<END>

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/? pdykman

1/6/03 jld

[Handwritten signature]

6-9-03

FE Sent For:

<END>

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0052/1dn

RAC:jld:cph

April 3, 2003

Jon Kranz:

This amendment includes those parts of the DETF suggested revisions that you wished for me to draft. Per the suggested revisions, I have removed the cross-reference to s. 40.02 (25) (b) 6e. that I placed in s. 40.05 (4) (bc) and have created an entirely new s. 40.05 (4) (bd) and provided cross-references to the new s. 40.05 (4) (bd) that already covered s. 40.05 (4) (bc). While I am not quite sure of the necessity for doing this, I see little harm in creating a new paragraph to cover the targeted employees and then cross-referencing that paragraph where there are already current law cross-references to s. 40.05 (4) (bc).

The only substantive change that I see in the revisions you asked me to incorporate are in the treatment of ss. 40.51 (10m), 40.95 (1) (a) (intro.), and 230.12 (9). The treatment of s. 40.51 (10m) is necessary for attaining health insurance coverage before becoming an annuitant. With respect to the supplemental program, because I did not amend the definition of "retired employee" under s. 40.02 (49) to include the targeted employees, it is necessary to specify that the supplemental program is for both retired employees and the new eligible employees under s. 40.02 (25) (b) 6e., especially for the eligible employee's deceased dependents. Please note that, as an alternative to this, you may wish simply to amend the definition of "retired employee" under s. 40.02 (49) to include an eligible employee under s. 40.02 (25) (b) 6e. That will ensure that the targeted employees are eligible for the supplements.

Please note that in the new s. 40.05 (4) (bd), I did add in that the credits can be used for the payment of health insurance payments if the eligible employee dies. The suggested revisions only provided for such use when the employee became an annuitant. This is consistent with the treatment under s. 40.95 (1) (a) (intro.) and 230.12 (9), which provide for the supplements for the deceased employee's surviving dependents. Also, in the treatment of s. 40.05 (4) (ad), I did not include the cross-reference to s. 40.51 (10r), because there is no s. 40.51 (10r). Finally, I did not include in the treatment of s. 40.05 (4) (br) 1. the phrase "excluding benefits under (bm)" because s. 40.05 (4) (br) 1. only refers to benefits authorized under pars. (b), (bc), and (bw).

Finally, as we discussed, rather than make a unilateral change in the benefits provided under the collective bargaining agreements, the changes to s. 40.95 (1) (a) (intro.) are bargainable.

Rick A. Champagne
Senior Legislative Attorney
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E-mail: rick.champagne@legis.state.wi.us

b 0390/1

LFB TOPIC line

RJD +

RAC(jld)eph

stays

SENATE AMENDMENT,
TO 2003 SENATE BILL 44

LFB

Page 494, line 9: ^{after} ~~after~~ that line ^{insert} ~~insert~~:
(NST-1) ✓

At the locations indicated, amend the bill as follows:

1. Page 497, line 6. after that line insert:

~~"SECTION 1008g. 40.05 (4) (ad) of the statutes is amended to read:~~

~~40.05 (4) (ad) For health insurance, each insured retired employee who elects coverage under s. 40.51 (10), (10m) or (16) shall pay the entire amount of the required premiums, except as provided in par. pars. (bc) and (bd)."~~

2. Page 498, line 2. after "(bc)" insert ". (bd)."

3. Page 499, line 12: delete "6e. or".

4. Page 499, line 23: after that line insert:

~~"SECTION 1012g. 40.05 (4) (bd) of the statutes is created to read:~~

~~40.05 (4) (bd) 1. In this paragraph, "employee" means an eligible employee under s. 40.02 (25) (b) 6e.~~

1 2. The accumulated unused sick leave of an employee shall be reported to the
2 department as of the date of termination from all state employment for future
3 conversion to credits for the payment of health insurance premiums on behalf of the
4 former employee or the former employee's surviving insured dependents.

5 3. At the time that the employee becomes an annuitant, the employee's unused
6 accumulated sick leave reported under subd. 1. shall be converted to credits at the
7 highest basic pay rate he or she received while employed by the state. Except as
8 provided in par. (bm), the credits may not be used for the payment of health insurance
9 premiums until the employee dies or becomes an annuitant.

10 4. If the employee is reemployed by the state before becoming an annuitant and
11 is eligible to have any remaining unused accumulated hours of sick leave restored,
12 the corresponding credits granted under this paragraph and any supplemental
13 credits granted under s. 40.95 shall be rescinded and all such credits shall be
14 recalculated at the time that the employee subsequently terminates employment
15 with the state.

16 5. When the employee dies or becomes an annuitant, deductions from the
17 credits, elections to delay initiation of the deductions, and health insurance premium
18 payments shall be made as provided in par. (b)."

19 **5.** Page 501, line 11: after that line insert:

20 "SECTION 1014g. 40.05 (4) (br) 1. of the statutes is amended to read:

21 40.05 (4) (br) 1. Employers shall pay contributions that shall be sufficient to
22 pay for the present value of the present and future benefits authorized under pars.
23 (b), (bc), (bd), and (bw). Subject to subd. 2., the board shall annually determine the
24 contribution rate upon certification by the actuary of the department. The

1 contribution rates determined under this paragraph shall become effective on
2 January 1 of the calendar year in which they are applicable and shall remain in effect
3 during that year.

4 ✓ 6. Page 512, line 2: after that line insert:

5 "SECTION 1026e. 40.51 (10m) of the statutes is amended to read:

6 40.51 (10m) Any eligible employee, as defined in s. 40.02 (25) (b) 6e. and 6g.,
7 may become covered under any health care coverage plan offered under sub. (6),
8 without furnishing evidence of insurability, by submitting to the department, on a
9 form provided by the department and within 30 days after the date on which the
10 department receives the employee's application for a retirement annuity or for a
11 lump sum payment under s. 40.25 (1), an election to obtain the coverage, by obtaining
12 coverage subject to contractual waiting periods and by paying the cost of the required
13 premiums, as provided in s. 40.05 (4) (ad).

14 ✓ SECTION 1026m. 40.95 (1) (a) (intro.) of the statutes is amended to read:

15 40.95 (1) (a) (intro.) Subject to sub. (2), the department shall administer a
16 program that provides health insurance premium credits for the purchase of health
17 insurance for a retired employee, or the retired employee's surviving insured
18 dependents, and for an eligible employee under s. 40.02 (25) (b) 6e., or the eligible
19 employee's surviving insured dependents, for the benefit of an eligible employee
20 whose compensation includes such health insurance premium credits and who
21 satisfies at least one of the following:)) .

22 SECTION 1026r. 40.95 (1m) of the statutes is created to read:

23 40.95 (1m) Health insurance premium credits under sub. (1) or s. 230.12 (9)
24 granted to an eligible employee under s. 40.02 (25) (b) 6e. shall be rescinded if the

1 employee is reemployed by the state before becoming an annuitant and if the
2 employee is eligible for restoration of the remaining accumulated sick leave balance.
3 At the time that the employee subsequently terminates employment with the state,
4 all such credits shall be recalculated.”

5 ✓ 7. Page 937, line 6: after that line insert:

6 “SECTION 2409g. 230.12 (9) of the statutes is amended to read:

7 230.12 (9) HEALTH INSURANCE PREMIUM CREDITS. The secretary may recommend
8 to the joint committee on employment relations a program, administered by the
9 department of employee trust funds, that provides health insurance premium
10 credits to employees whose compensation is established under this section or s.
11 20.923 (2) or (3). The health insurance premium credits shall be used for the
12 purchase of health insurance for a retired employee, or the retired employee's
13 surviving insured dependents, and for an eligible employee under s. 40.02 (25) (b) 6e.,
14 or the eligible employee's surviving insured dependents, and shall be based on the
15 employee's years of continuous service, accumulated unused sick leave and any other
16 factor recommended by the secretary. The approval process for the program is the
17 same as that provided under sub. (3) (b) and the program shall be incorporated into
18 the compensation plan under sub. (1).”

19 (END)

(INS 1-1)

SECTION 1001 m. Am; 40.02(49)

9-40.02 (49) "Retired employee" means a former insured employee who is not a participating employee and who is retired on an immediate or disability annuity or who receives a lump sum payment under s. 40.25 (1) which would have been an immediate annuity if paid as an annuity or who is an eligible employee under sub. (25) (b) 6. or 6g. "

6g.

(end ins)



State of Wisconsin
2003 - 2004 LEGISLATURE

LRBb0390/1
PJD&RAC:jld:rs

LFB:.....Zimmerman – Accumulated unused sick leave conversion program

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

**SENATE AMENDMENT ,
TO 2003 SENATE BILL 44**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 494, line 9: after that line insert:

3 “SECTION 1001m. 40.02 (49) of the statutes is amended to read:

4 40.02 (49) “Retired employee” means a former insured employee who is not a
5 participating employee and who is retired on an immediate or disability annuity or
6 who receives a lump sum payment under s. 40.25 (1) which would have been an
7 immediate annuity if paid as an annuity or who is an eligible employee under sub.
8 (25) (b) 6., 6e., or 6g.”.

9 **2.** Page 512, line 2: after that line insert:

10 “SECTION 1026e. 40.51 (10m) of the statutes is amended to read:

1 40.51 (10m) Any eligible employee, as defined in s. 40.02 (25) (b) 6e. and 6g.,
2 may become covered under any health care coverage plan offered under sub. (6),
3 without furnishing evidence of insurability, by submitting to the department, on a
4 form provided by the department and within 30 days after the date on which the
5 department receives the employee's application for a retirement annuity or for a
6 lump sum payment under s. 40.25 (1), an election to obtain the coverage, by obtaining
7 coverage subject to contractual waiting periods and by paying the cost of the required
8 premiums, as provided in s. 40.05 (4) (ad).

9 **SECTION 1026m.** 40.95 (1) (a) (intro.) of the statutes is amended to read:

10 40.95 (1) (a) (intro.) Subject to sub. (2), the department shall administer a
11 program that provides health insurance premium credits for the purchase of health
12 insurance for a retired employee, or the retired employee's surviving insured
13 dependents, and for an eligible employee under s. 40.02 (25) (b) 6e., or the eligible
14 employee's surviving insured dependents, for the benefit of an eligible employee
15 whose compensation includes such health insurance premium credits and who
16 satisfies at least one of the following:".

17 **3.** Page 937, line 6: after that line insert:

18 **"SECTION 2409g.** 230.12 (9) of the statutes is amended to read:

19 230.12 (9) HEALTH INSURANCE PREMIUM CREDITS. The secretary may recommend
20 to the joint committee on employment relations a program, administered by the
21 department of employee trust funds, that provides health insurance premium
22 credits to employees whose compensation is established under this section or s.
23 20.923 (2) or (3). The health insurance premium credits shall be used for the
24 purchase of health insurance for a retired employee, or the retired employee's

1 surviving insured dependents, and for an eligible employee under s. 40.02 (25) (b) 6e.,
2 or the eligible employee's surviving insured dependents, and shall be based on the
3 employee's years of continuous service, accumulated unused sick leave and any other
4 factor recommended by the secretary. The approval process for the program is the
5 same as that provided under sub. (3) (b) and the program shall be incorporated into
6 the compensation plan under sub. (1).”

7

(END)