

2007 DRAFTING REQUEST

Bill

Received: **02/06/2008**

Received By: **rchampag**

Wanted: **Soon**

Identical to LRB:

For: **Karl Van Roy (608) 266-0616**

By/Representing: **Paula McGuire (Wirch)**

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

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - employee benefits**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.VanRoy@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Payment of health insurance premiums from WRS annuities and deferred comp programs

Instructions:

Companion to LRB-3908. Also, see attached email.

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>
/?	rchampag 02/06/2008	jdye 02/06/2008		_____			State Retire
/1			nmatzke 02/06/2008	_____	mbarman 02/06/2008	mbarman 02/06/2008	State Retire
/2	rchampag 02/07/2008	bkraft 02/07/2008	rschluet 02/07/2008	_____	sbasford 02/07/2008	sbasford 02/07/2008	

FE Sent For:

at
intro

<END>

2007 DRAFTING REQUEST

Bill

Received: 02/06/2008

Received By: rchampag

Wanted: Soon

Identical to LRB:

For: Karl Van Roy (608) 266-0616

By/Representing: Paula McGuire (Wirch)

This file may be shown to any legislator: NO

Drafter: rchampag

May Contact:

Addl. Drafters:

Subject: Employ Pub - employee benefits

Extra Copies:

Submit via email: YES

Requester's email: Rep.VanRoy@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Payment of health insurance premiums from WRS annuities and deferred comp programs

Instructions:

Companion to LRB-3908. Also, see attached email.

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>
/?	rchampag 02/06/2008	jdyer 02/06/2008					State Retire
/1			nmatzke 02/06/2008		mbarman 02/06/2008	mbarman 02/06/2008	

12bjk 2/7

FE Sent For:

Handwritten signature and the text <END>

2007 DRAFTING REQUEST

Bill

Received: 02/06/2008

Received By: rchampag

Wanted: Soon

Identical to LRB:

For: Karl Van Roy (608) 266-0616

By/Representing: Paula McGuire (Wirch)

This file may be shown to any legislator: NO

Drafter: rchampag

May Contact:

Addl. Drafters:

Subject: Employ Pub - employee benefits

Extra Copies:

Submit via email: YES

Requester's email: Rep.VanRoy@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Payment of health insurance premiums from WRS annuities and deferred comp programs

Instructions:

Companion to LRB-3908. Also, see attached email.

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>
/?	rchampag 02/06/2008	jdye 02/06/2008		_____			State Retire
/1			natzke 02/06/2008	_____	mbarman 02/06/2008		

FE Sent For:

<END>

2007 DRAFTING REQUEST

Bill

Received: 02/06/2008

Received By: **rchampag**

Wanted: **Soon**

Identical to LRB:

For: **Karl Van Roy (608) 266-0616**

By/Representing: **Paula McGuire (Wircb)**

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

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - employee benefits**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.VanRoy@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Payment of health insurance premiums from WRS annuities and deferred comp programs

Instructions:

Companion to LRB-3908. Also, see attached email.

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>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

1/?	rchampag	1/2/06 jld	nwn 2/6	nwn 2/6			
-----	----------	------------	------------	------------	--	--	--

FE Sent For:

<END>

Jacket
for
Assembly

Champagne, Rick

From: McGuire, Paula
Sent: Tuesday, February 05, 2008 5:06 PM
To: Champagne, Rick
Subject: RE: LRB-3908--ETF Authority to Use Fire Fighter or Police Officer Retirement for Health Insurance

Thanks!

-----Original Message-----

From: Champagne, Rick
Sent: Tuesday, February 05, 2008 5:04 PM
To: McGuire, Paula
Subject: RE: LRB-3908--ETF Authority to Use Fire Fighter or Police Officer Retirement for Health Insurance

Will do, Paula!

-----Original Message-----

From: McGuire, Paula
Sent: Tue 2/5/2008 4:12 PM
To: Champagne, Rick
Subject: FW: LRB-3908--ETF Authority to Use Fire Fighter or Police Officer Retirement for Health Insurance

I just left you a voice mail, and I think you are the drafter of this bill--Is it possible to get this bill jacketed for a Senate version, as well as an assembly version--Van Roy will be the Assembly lead.

Thanks a lot!

Paula McGuire

-----Original Message-----

From: McGuire, Paula
Sent: Tuesday, February 05, 2008 2:46 PM
To: *Legislative Senate Democrats; *Legislative Senate Republicans; *Legislative Assembly Republicans; *Legislative Assembly Democrats
Subject: LRB-3908--ETF Authority to Use Fire Fighter or Police Officer Retirement for Health Insurance

To: Legislative Colleagues

From: Senator Bob Wirsch and Representative Van Roy

Federal and state law was recently changed to enable police officers and fire fighters to take up to \$3,000 of their annuity or deferred compensation to pay for health insurance once they retire. The \$3,000 would be tax free.

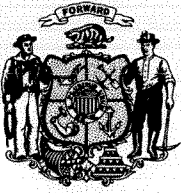
This tax provision was adopted to assist police officers and fire fighters with the cost of their health insurance once they retire. The requirement of these professions is that they retire early so that only younger police officers and fire fighters serve. Like all other professions, police and fire fighters are not eligible for Medicare until they reach 65. Thus in many cases they have to purchase their own health insurance.

To help defray some of the cost, the \$3,000 provision was passed by Congress and was a part of the new state budget. Unfortunately for this to occur the \$3,000 needs to go directly from WI Department of Employee Trust Funds (ETF) to the insurance company.

Currently, ETF does not have the statutory authority to do that. This bill draft would give ETF that power.

If you would like to co-sponsor this legislation, please call Senator Wirch 7-8979 or Representative Van Roy at 6-0616.

DEADLINE IS MONDAY, FEBRUARY 11, 2008



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-4031/1
LRB 3908/T
RACfld&bjknwn
stays

[Handwritten signature]
2007 BILL

4
- gen. cat.

1 AN ACT to renumber 40.08 (2); and to create 40.05 (4r), 40.08 (2) (b) and 40.80
2 (2t) of the statutes; relating to: payment of premiums for health or long-term
3 care insurance coverage from annuities under the Wisconsin Retirement
4 System and distributions from deferred compensation accounts.

Analysis by the Legislative Reference Bureau

Currently, under the Wisconsin Retirement System (WRS), annuitants may have insurance premiums for health care coverage paid directly from their WRS annuities. This program, however, only applies to health insurance plans offered under a program established by the Group Insurance Board (GIB). Similarly, state annuitants may currently have insurance premiums for long-term care coverage paid directly from their retirement annuities. Again, this option only applies to long-term care insurance plans offered under a program established by GIB. This bill permits all annuitants to have premiums for any health care coverage or long-term care coverage plan deducted from their annuities, even if the plan is not offered under the program established by GIB.

The Deferred Compensation Board (board), attached to the Department of Employee Trust Funds, currently selects and contracts with plan providers that are used by state agencies for providing deferred compensation plans to state employees. These plans are also made available to public employers other than the state for their employees. This bill provides that the board may require a deferred compensation plan, upon election by a participant, to allow for the deduction of insurance premiums for health or long-term care insurance coverage from an amount

BILL

distributed from a participant's account and for the payment of the premiums directly to an insurer.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

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:

1 **SECTION 1.** 40.05 (4r) of the statutes is created to read:

2 **40.05 (4r)** PAYMENT OF CERTAIN INSURANCE PREMIUMS. If an annuitant receives
3 health care coverage or long-term care coverage under a plan other than one offered
4 under subch. IV, and if the annuitant so elects by providing written notice to the
5 department, the premium shall be paid as a deduction under s. 40.06 (1) (a) from the
6 annuitant's annuity. If an annuitant receives an annuity that is not sufficient to
7 cover premium payments, the annuitant shall make premium payments directly to
8 the insurer. The annuitant shall provide the department with all necessary
9 information to permit the department to make the payment in a timely manner.

10 **SECTION 2.** 40.08 (2) of the statutes is renumbered 40.08 (2) (a).

11 **SECTION 3.** 40.08 (2) (b) of the statutes is created to read:

12 **40.08 (2) (b)** If permitted under a deferred compensation plan established
13 under subch. VII, insurance premiums for health or long-term care insurance
14 coverage may be deducted from an amount distributed under a deferred
15 compensation plan and paid directly to an insurer.

16 **SECTION 4.** 40.80 (2t) of the statutes is created to read:

17 **40.80 (2t)** The deferred compensation board may require a deferred
18 compensation plan under this subchapter, upon election by a participant, to allow for

BILL

1 the deduction of insurance premiums for health or long-term care insurance
2 coverage from an amount distributed from a participant's account and for the
3 payment of the premiums directly to an insurer.

4 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-4031/1
RAC:jld&bjk:nwn

2007 BILL

1 AN ACT *to renumber* 40.08 (2); and *to create* 40.05 (4r), 40.08 (2) (b) and 40.80
2 (2t) of the statutes; **relating to:** payment of premiums for health or long-term
3 care insurance coverage from annuities under the Wisconsin Retirement
4 System and distributions from deferred compensation accounts.

Analysis by the Legislative Reference Bureau

Currently, under the Wisconsin Retirement System (WRS), annuitants may have insurance premiums for health care coverage paid directly from their WRS annuities. This program, however, only applies to health insurance plans offered under a program established by the Group Insurance Board (GIB). Similarly, state annuitants may currently have insurance premiums for long-term care coverage paid directly from their retirement annuities. Again, this option only applies to long-term care insurance plans offered under a program established by GIB. This bill permits all annuitants to have premiums for any health care coverage or long-term care coverage plan deducted from their annuities, even if the plan is not offered under the program established by GIB.

The Deferred Compensation Board (board), attached to the Department of Employee Trust Funds, currently selects and contracts with plan providers that are used by state agencies for providing deferred compensation plans to state employees. These plans are also made available to public employers other than the state for their employees. This bill provides that the board may require a deferred compensation plan, upon election by a participant, to allow for the deduction of insurance premiums for health or long-term care insurance coverage from an amount

BILL

distributed from a participant's account and for the payment of the premiums directly to an insurer.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

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:

1 **SECTION 1.** 40.05 (4r) of the statutes is created to read:

2 40.05 (4r) PAYMENT OF CERTAIN INSURANCE PREMIUMS. If an annuitant receives
3 health care coverage or long-term care coverage under a plan other than one offered
4 under subch. IV, and if the annuitant so elects by providing written notice to the
5 department, the premium shall be paid as a deduction under s. 40.06 (1) (a) from the
6 annuitant's annuity. If an annuitant receives an annuity that is not sufficient to
7 cover premium payments, the annuitant shall make premium payments directly to
8 the insurer. The annuitant shall provide the department with all necessary
9 information to permit the department to make the payment in a timely manner.

10 **SECTION 2.** 40.08 (2) of the statutes is renumbered 40.08 (2) (a).

11 **SECTION 3.** 40.08 (2) (b) of the statutes is created to read:

12 40.08 (2) (b) If permitted under a deferred compensation plan established
13 under subch. VII, insurance premiums for health or long-term care insurance
14 coverage may be deducted from an amount distributed under a deferred
15 compensation plan and paid directly to an insurer.

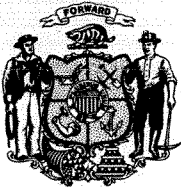
16 **SECTION 4.** 40.80 (2t) of the statutes is created to read:

17 40.80 (2t) The deferred compensation board may require a deferred
18 compensation plan under this subchapter, upon election by a participant, to allow for

BILL

1 the deduction of insurance premiums for health or long-term care insurance
2 coverage from an amount distributed from a participant's account and for the
3 payment of the premiums directly to an insurer.

4 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3908/2
RAC:jld&bjk:rs

→ SEON
2007 BILL

LRB-4031/2
RAC:jld&bjk:

SA ✓

- reject

1 **AN ACT to renumber** 40.08 (2); and **to create** 40.02 (48g), 40.05 (4r), 40.08 (2)
2 (b) and 40.80 (2t) of the statutes; **relating to:** payment of premiums for health
3 or long-term care insurance coverage from annuities under the Wisconsin
4 Retirement System and distributions from deferred compensation accounts.

Analysis by the Legislative Reference Bureau

Currently, under the Wisconsin Retirement System (WRS), annuitants may have insurance premiums for health care coverage paid directly from their WRS annuities. This program, however, only applies to health insurance plans offered under a program established by the Group Insurance Board (GIB). Similarly, state annuitants may currently have insurance premiums for long-term care coverage paid directly from their retirement annuities. Again, this option only applies to long-term care insurance plans offered under a program established by GIB. This bill permits annuitants who are public safety officers to have premiums for any health care coverage or long-term care coverage plan deducted from their annuities, even if the plan is not offered under the program established by GIB. Under the bill, "public safety officer" has the meaning given under a specific federal law and includes any individual serving in a public agency in an official capacity, with or without compensation, as a law enforcement officer, as a fire fighter, as a chaplain, or as a member of a rescue squad or ambulance crew.

The Deferred Compensation Board (board), attached to the Department of Employee Trust Funds, currently selects and contracts with plan providers that are used by state agencies for providing deferred compensation plans to state employees.

BILL

These plans are also made available to public employers other than the state for their employees. This bill provides that the board may require a deferred compensation plan, upon election by a participant who is a public safety officer, to allow for the deduction of insurance premiums for health or long-term care insurance coverage for public safety officers from an amount distributed from a participant's account and for the payment of the premiums directly to an insurer.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

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:

1 SECTION 1. 40.02 (48g) of the statutes is created to read:

2 40.02 (48g) "Public safety officer" has the meaning given in 26 USC 402 (I) (4)
3 (C).

4 SECTION 2. 40.05 (4r) of the statutes is created to read:

5 40.05 (4r) PAYMENT OF CERTAIN INSURANCE PREMIUMS. If an annuitant is a public
6 safety officer and receives health care coverage or long-term care coverage under a
7 plan other than one offered under subch. IV, and if the annuitant so elects by
8 providing written notice to the department, the premium shall be paid as a deduction
9 under s. 40.06 (1) (a) from the annuitant's annuity. If the annuitant receives an
10 annuity that is not sufficient to cover premium payments, the annuitant shall make
11 premium payments directly to the insurer. The department shall establish
12 procedures to permit an annuitant who is a public safety officer to elect to have his
13 or her premium paid as a deduction under s. 40.06 (1) (a) from his or her annuity.
14 The annuitant shall provide the department with all necessary information to
15 permit the department to make the payment in a timely manner.

16 SECTION 3. 40.08 (2) of the statutes is renumbered 40.08 (2) (a).

BILL

1 **SECTION 4.** 40.08 (2) (b) of the statutes is created to read:

2 40.08 (2) (b) If permitted under a deferred compensation plan established
3 under subch. VII, insurance premiums for health or long-term care insurance
4 coverage for a public safety officer may be deducted from an amount distributed
5 under a deferred compensation plan and paid directly to an insurer.

6 **SECTION 5.** 40.80 (2t) of the statutes is created to read:

7 40.80 (2t) The deferred compensation board may require a deferred
8 compensation plan under this subchapter, upon election by a participant who is a
9 public safety officer, to allow for the deduction of insurance premiums for health or
10 long-term care insurance coverage from an amount distributed from a participant's
11 account and for the payment of the premiums directly to an insurer.

12

(END)