



2007 SENATE BILL 471

February 12, 2008 - Introduced by Senators WIRCH, LEHMAN, LASSA, ROBSON, ROESSLER and SCHULTZ, cosponsored by Representatives VAN ROY, MUSSER, BOYLE, KAUFERT, A. OTT, KERKMAN, MONTGOMERY, NYGREN, GUNDERSON, MURSAU and HAHN. Referred to Joint Survey Committee on Retirement Systems.

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.

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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).

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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.

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(END)