

2009 DRAFTING REQUEST

Bill

Received: **01/13/2010**

Received By: **pgrant**

Wanted: **As time permits**

Identical to LRB:

For: **John Townsend (608) 266-3156**

By/Representing: **Matt Pulda**

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

Drafter: **pgrant**

May Contact:

Addl. Drafters: **emueller**

Subject: **Education - school boards
Higher Education - tech. college
Local Gov't - misc**

Extra Copies: **TKK, MDK**

Submit via email: **YES**

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Funding post-retirement health insurance benefits

Instructions:

See attached

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>
/?	pgrant 01/13/2010 emueller 01/29/2010	nmatzke 02/09/2010		_____			S&L
/1			rschluet 02/10/2010	_____	cduerst 02/10/2010	cduerst 03/02/2010	

FE Sent For:

<END>

↳ At
Intro.

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Local Gov't - counties

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1?	pgrant	1 nm 2/9	<i>(Signature)</i>	<i>2/10</i> <i>ph/JF</i>			

FE Sent For: *ASW*

<END>

Grant, Peter

From: Champagne, Rick
Sent: Wednesday, January 13, 2010 12:54 PM
To: Grant, Peter; Kuczenski, Tracy; Shovers, Marc; Mueller, Eric
Subject: Townsend Local Government/School District Draft

Peter/Tracy/Marc/Eric:

Got a call from Matt asking about the draft. He wants all local governmental units, including school districts, to fully fund all post-retirement health insurance benefits for their new employees.

Here is some possible language for your chapters, which you may need to harmonize with any current law provisions in your chapters dealing with health insurance:

No [insert appropriate local governmental unit] may provide any health insurance benefit to an employee after the effective date of this [insert appropriate statutory unit] for use upon retirement unless the cost of the benefit is fully funded on an actuarial basis.

Some analysis language:

Currently, local governmental units, including school districts, provide health insurance and other fringe benefits to their employees. Some of these governmental units also provide post-retirement health insurance benefits for their employees. There is no current law requirement that the cost of these benefits must be paid by the local government employers before the employees receive the benefits upon retirement. This bill provides that local governmental units may not provide any health insurance benefit to an employee hired after the bill's effective date for use upon retirement unless the cost of the benefit is fully funded on an actuarial basis. The result is that, under the bill, the cost of post-retirement health insurance benefits for these local government employees must be paid before the employees begin to receive health care coverage under the post-retirement benefits.

Thanks.

Rick

From: Pulda, Matt
Sent: Friday, January 08, 2010 9:07 AM
To: Champagne, Rick
Subject: Email from LRB Website

Rick,

I think this falls under your area.... The Representative would like to draft a bill that requires government units that offer post-retirement health insurance benefits to their employees to fund them on an actuarial basis. This would be grandfathered in – applied to employees hired after the bill goes into effect.

For some background, here are links to a few articles that outline the problem this bill is an attempt to address in part:
<http://www.wpri.org/Reports/Volume22/Vol22No8/Vol22No8.html>
<http://www.wpri.org/Reports/Volume21/Vol21No7/Vol21No6p1.html>
<http://www.wpri.org/Reports/Volume%2020/Vol20no2.pdf>

Thanks!

Matt Pulda
Research Assistant
Office of State Rep. John Townsend
(608) 266-3156

BILL

Date (time) needed _____

LRB - 412311

PG & EVM: nwn : _____

Use the appropriate components and routines developed for bills.

↓ ↓

AN ACT . . . [generate catalog] *to repeal . . . ; to renumber . . . ; to consolidate and renumber . . . ; to renumber and amend . . . ; to consolidate, renumber and amend . . . ; to amend . . . ; to repeal and recreate . . . ; and to create . . .* of the statutes; relating to: *funding of post-retirement health care insurance benefits of local government employees.*

[NOTE: See section 4.02 (2) (br), Drafting Manual, for specific order of standard phrases.]

Analysis by the Legislative Reference Bureau

If titles are needed in the analysis, in the component bar:

For the main heading, execute: **create** → **anal:** → **title:** → **head**

For the subheading, execute: **create** → **anal:** → **title:** → **sub**

For the sub-subheading, execute: **create** → **anal:** → **title:** → **sub-sub**

For the analysis text, in the component bar:

For the text paragraph, execute: **create** → **anal:** → **text**

(attached)

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION #.

ANALYSIS

cities, villages, towns, ^{counties,}
~~school districts~~ ^{counties,} and technical
 college districts

Currently (local governments) ~~including~~
~~and technical college districts,~~
~~school districts~~ ~~provide~~ health insurance

care benefits for their employees. Some also
 provide ^{care} post-retirement health ~~insurance~~ care
 benefits for their employees.

This bill prohibits a local
 government ^{from} providing health ~~insurance~~
~~for an open retirement~~
 care benefits to any employee hired on or
 after the bill's effective date for use ^{upon} upon
 the employee's retirement unless the ^{cost} cost of
 the benefit is fully funded on ^{an} an
 actuarial actuarial basis.

→ FE-SL

SEC. CR. 38.12 (12)

② CARE BENEFITS
38.12(12) HEALTH ~~INSURANCE~~ FOR RETIREES.

If the district board provides any health ~~insurance~~ ^{care} benefits for use upon retirement to an employee

hired on or after the effective date of

this subsection: [LRB inserts date] the district board shall

ensure that the ^{cost} of the ^{the} benefits is

fully ^{funded} funded on an ^{actuarial} actuarial basis.

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4123/?ins
EVM&PG:.....

1

2

SECTION 1. 66.0138[^] of the statutes is created to read:

3

66.0138 Health care benefits for retirees. (1) In this section, "political subdivision" means a city, village, town, or county.

4

5

(2) If a political subdivision provides health care benefits for use upon retirement to an employee hired on or after the effective date of this subsection ...

6

7

[LRB inserts date], the political subdivision shall ensure that the cost of the benefits is fully funded on an actuarial basis.

8

SEC. CR. 120.12 (27)

120.12 (27) [ⓐ] HEALTH [ⓑ] INSURANCE CARE BENEFIT FOR RETIREES. ✓

~~ensure~~ that if the school board provides any health insurance benefit to an employee hired on or after the effective date of

this subsection... [LRB inserts date] ✓ ensure

that the cost of the benefit is fully funded on an actuarial basis. ✓

(End)

Duerst, Christina

From: Pulda, Matt
Sent: Tuesday, March 02, 2010 10:55 AM
To: LRB.Legal
Subject: Draft Review: LRB 09-4123/1 Topic: Funding post-retirement health insurance benefits

Please Jacket LRB 09-4123/1 for the ASSEMBLY.