

State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/1

RAC&CMH:cjs:jf

slays RMR

Today, if possible

DOA:.....Frederick, BB0133 - Payment of Health Insurance Premiums for  
State Employees; Collective Bargaining and health insurance

**FOR 2011-13 BUDGET - NOT READY FOR INTRODUCTION**

- do not gen

1 AN ACT ...; relating to: the budget.

**Analysis by the Legislative Reference Bureau  
RETIREMENT AND GROUP INSURANCE**

Currently, state employees receive health care coverage under plans offered by the Group Insurance Board. The employer share of premium costs for employees who work more than 1,565 hours a year is an amount not less than 80 percent of the average premium costs under the various health care coverage plans. The amount for represented employees is subject to collective bargaining and the amount for non-represented employees is established in various compensation plans.

This bill provides instead that the employer may not pay more than 88 percent of the premium costs for employees who work more than 1,565 hours a year. Under the bill, the actual employer share of premium costs is established on an annual basis by the director of the Office of State Employment Relations. For the remainder of 2011, however, the bill provide that the employer's share is 88 percent of the average premium costs under the various health care coverage plans.

Finally, the bill makes the selection of health care coverage plans by public employers for their employees and the amount of the employer's and the employee's share of premium costs for health care coverage under the plans a prohibited subject of collective bargaining under the Municipal Employment Relations Act, the State Employment Labor Relations Act, and the UW System Faculty and Academic Staff Labor Relations Act.

Insert Analysis

For further information see the *state and local* 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 (4) (ag) of the statutes is amended to read:

2     40.05 (4) (ag) Beginning on January 1, 2004, except as otherwise provided in  
3 accordance with a collective bargaining agreement under subch. I, V, or VI of ch. 111  
4 or s. 230.12 or 233.10 the first day of the first month beginning after the effective date  
5 of this paragraph ... [LRB inserts date], the employer shall pay for its currently  
6 employed insured employees:

7         1. For insured part-time employees other than employees specified in s. 40.02  
8 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
9 appointed to work less than 1,566 hours per year, an amount equal to 50% 50 percent  
10 of the employer contribution under subd. 2.

11         2. For eligible employees not specified in subd. 1., regardless of the plan  
12 selected by the employee, not less than 80% more than 88 percent of the average  
13 premium cost of plans offered in the tier with the lowest employee premium cost  
14 under s. 40.51 (6), as established under s. 230.04 (19).

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

16     40.05 (4) (ar) ~~The employer shall pay under par. (a) for~~ Beginning on the first  
17 day of the first month beginning after the effective date of this paragraph ... [LRB  
18 inserts date], for employees who are not covered by a collective bargaining agreement  
19 under subch. I, V, or VI of ch. 111 and for employees of state agencies whose health  
20 insurance premium contribution rates are not determined under s. 230.12 or 233.10  
21 230.04 (19), the employer shall pay an amount equal to the amount specified in par.

Insert 3-7

1 ~~(ag) unless a different amount is recommended by the director of the office of state~~  
 2 ~~employment relations and approved by the joint committee on employment relations~~  
 3 ~~in the manner provided for approval of changes in the compensation plan under s.~~  
 4 ~~230.12 (3) 1. for employees who are appointed to work less than 1,566 hours per year~~  
 5 ~~and an amount equal to the amount established under s. 230.04 (19) for all other~~  
 6 ~~eligible employees.~~

SECTION 3. 111.70 (4) (mc) 6. of the statutes is created to read:

8 111.70 (4) (mc) 6. The selection of health care coverage plans by the municipal  
 9 employer for municipal employees and the determination by the municipal employer  
 10 of the municipal employer's and the municipal employee's shares of premium costs  
 11 for health care coverage under the plans, and the impact of the selection of the health  
 12 care coverage plans and the determination of the municipal employer's and the  
 13 municipal employee's shares of premium costs on the wages, hours, and conditions  
 14 of employment of the municipal employees.

SECTION 4. 111.91 (1) (cm) of the statutes is amended to read:

16 111.91 (1) (cm) Except as provided in sub. (2) ~~(g) and (h)~~ and ss. 40.02 (22) (e)  
 17 and 40.23 (1) (f) 4., all laws governing the Wisconsin retirement system under ch. 40  
 18 and all actions of the employer that are authorized under any such law which apply  
 19 to nonrepresented individuals employed by the state shall apply to similarly situated  
 20 employees, unless otherwise specifically provided in a collective bargaining  
 21 agreement that applies to those employees.

SECTION 5. 111.91 (2) (fp) of the statutes is created to read:

23 111.91 (2) (fp) The selection of health care coverage plans under subch. IV of  
 24 ch. 40 and the amount of the employer's and the employee's share of premium costs  
 25 for health care coverage under the plans.

1           **SECTION 6.** 111.998 (1) (d) of the statutes is amended to read:

2           111.998 (1) (d) Except as provided in sub. (2) ~~(d) and (e)~~ and ss. 40.02 (22) (e)  
3 and 40.23 (1) (f) 4., all laws governing the Wisconsin Retirement System under ch.  
4 40 and all actions of the board that are authorized under any such law which apply  
5 to nonrepresented individuals employed by the state shall apply to similarly situated  
6 employees, unless otherwise specifically provided in a collective bargaining  
7 agreement that applies to those employees.

8           **SECTION 7.** 111.998 (2) (fp) of the statutes is created to read:

9           111.998 (2) (fp) The selection of health care coverage plans under subch. IV of  
10 ch. 40 and the amount of the employer's and the employee's share of premium costs  
11 for health care coverage under the plans.

12           **SECTION 8.** 230.04 (19) of the statutes is created to read:

13           230.04 (19) Annually, before October 1, the director shall establish the  
14 employer's share of premium costs for health care coverage plans under s. 40.05 (4)  
15 (ag) 2., for health care coverage beginning on the following January 1.

16           ~~**SECTION 9115. Nonstatutory provisions; Employee Trust Funds.**~~

17           ~~(1) PAYMENT OF PREMIUMS FOR STATE EMPLOYEE HEALTH CARE COVERAGE.  
18 Notwithstanding section 230.04 (19) of the statutes, as created by this act, beginning  
19 on the first day of the first month beginning after the effective date of this subsection,  
20 and ending on December 31, 2011, the employer, under section 40.05 (4) (ag) 2. of the  
21 statutes, as affected by this act, and under section 40.05 (4) (ar) of the statutes, as  
22 affected by this act, for employees who are appointed to work more than 1565 hours  
23 per year, shall pay 88 percent of the average premium cost of plans offered in the tier  
24 with the lowest employee premium cost under section 40.51 (6) of the statutes.~~

25           ~~**SECTION 9355. Initial applicability; Other.**~~

1 (1) ~~HEALTH CARE COVERAGE PLANS AND PREMIUMS. The treatment of sections 40.05~~  
2 ~~(4) (ag), 111.70 (4) (mc) 6., 111.91 (1) (cm) and (2) (fp), 111.998 (1) (d) and (2) (fp), and~~  
3 ~~230.04 (19) of the statutes and section 9115 (1) of this act first applies to employees~~  
4 ~~who are covered by a collective bargaining agreement that contains provisions~~  
5 ~~inconsistent with this act on the day on which the agreement expires or is extended,~~  
6 ~~modified, or renewed, whichever occurs first.~~

7

(END)

Insert 5-7

**Insert Analysis:**

Currently, state employees, as well as employees of public authorities created by the state, receive health care coverage under plans offered by the Group Insurance Board, which plans are assigned to one of three tiers depending on the employee's premium costs. The employer share of premium costs for employees who work more than 1,565 hours a year is an amount not less than 80 percent of the average premium costs under the various health care coverage plans. The amount for represented employees is subject to collective bargaining and the amount for nonrepresented employees is established in various compensation plans.

This bill provides instead that the employer may not pay ~~more~~ than 88 percent of the average premium cost of plans offered in the tier with the lowest employee premium cost, not more than ~~80~~ percent of the average cost of plans offered in the tier with the next lowest employee premium cost, and not more than ~~80~~ percent of the average cost of plans offered in the tier with the highest employee premium cost. Under the bill, the actual employer share of premium costs is established on an annual basis by the director of the Office of State Employment Relations.

For the remainder of 2011, however, the bill provides that state employees, as well as employees of public authorities created by the state, shall pay an additional \$50 a month for individual coverage and \$125 a month for family coverage for health care coverage over the amounts they are already required to pay under current law on the bill's effective date.

**Insert 3-7:**

**SECTION 1.** 40.05 (4) (ag) of the statutes is repealed and recreated to read:

40.05 (4) (ag) The employer shall pay for its currently employed insured employees:

1. For insured part-time employees other than employees specified in s. 40.02 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are appointed to work less than 1,566 hours per year, an amount equal to 50 percent of the employer's contribution under subd. 2.

2. For eligible employees not specified in subd. 1., regardless of the plan selected by the employee, not more than 88 percent of the average premium cost of plans offered in the tier with the lowest employee premium cost under s. 40.51 (6)

83

76

premium

more

premium

who work more than 1,565 hours a year

↙

not more than <sup>83</sup>~~84~~ percent of the average <sup>premium</sup> cost of plans offered in the tier with the next lowest employee premium cost under s. 40.51 (6), and not more than <sup>78</sup>~~80~~ percent of the average cost of plans offered in the tier with the highest employee premium cost under s. 40.51 (6). The director of the office of state employment relations shall establish the percentages under s. 230.04 (19).

**SECTION 2.** 40.05 (4) (ar) of the statutes is repealed. X

**Insert 5-7:**

**SECTION 9115. Nonstatutory provisions; Employee Trust Funds.**

(1) STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding sections 40.05 (4) (ag) <sup>2e</sup>~~2~~ and 230.04 (19) of the statutes, as affected by this act, beginning on the first day of the first month after the effective date of this subsection, and ending on December 31, 2011, employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected by this act, who are appointed to work more than 1565 hours per year, shall pay an additional \$50 a month for individual coverage and \$125 a month for family coverage for health care coverage under section 40.51 (6) of the statutes over the amounts they are required to pay on the effective date of this subsection.

create a.r. X

Insert A

**SECTION 9355. Initial applicability; Other.**

(1) HEALTH CARE COVERAGE PLANS AND PREMIUMS.

(a) For municipal employees who are covered by a collective bargaining agreement under subchapter IV of chapter 111 of the statutes that has not expired before the effective date of this paragraph, the treatment of section 111.70 (4) (mc) 6. of the statutes first applies on the day on which the agreement expires or is extended, modified, or renewed, whichever occurs first.

(b) For state employees who are covered by a collective bargaining agreement under subchapter V or VI of chapter 111 of the statutes that expires on June 30, 2011,

the treatment of sections 40.05 (4) (ag), 111.91 (1) (cm) and (2) (fp), 111.998 (1) (d) and (2) (fp), and 230.04 (19) of the statutes and section 9115 (1) of this act first apply on July 1, 2011.

Use a.r. X from prev. page

(c) For state employees who are covered by a collective bargaining agreement under subchapter V or VI of chapter 111 of the statutes that expired on June 30, 2009, and who have not entered into a new collective bargaining agreement for the period after June 30, 2009, the treatment of sections 40.05 (4) (ag), 111.91 (1) (cm) and (2) (fp), 111.998 (1) (d) and (2) (fp), and 230.04 (19) of the statutes and section 9115 (1) first apply on the effective date of this paragraph.

of this act

use a.r. X from previous page



as affected by this act

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

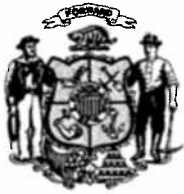
of the statutes

A

no 9

40.05(4)(ag)1.

Employees covered under section 40.05(4)(ag)1. shall pay the same amounts during this period as they are required to pay on the effective date of this subsection.



RMP

DOA:.....Frederick, BB0133 - Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

**FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION**

4  
1 AN ACT ...; relating to: the budget. ✓  
do not send

*Analysis by the Legislative Reference Bureau*

**RETIREMENT AND GROUP INSURANCE**

Currently, state employees, as well as employees of public authorities created by the state, receive health care coverage under plans offered by the Group Insurance Board, which plans are assigned to one of three tiers depending on the employee's premium costs. The employer share of premium costs for employees who work more than 1,565 hours a year is an amount not less than 80 percent of the average premium costs under the various health care coverage plans. The amount for represented employees is subject to collective bargaining and the amount for nonrepresented employees is established in various compensation plans.

This bill provides instead that the employer may not pay more than 88 percent of the average premium cost of plans offered in the tier with the lowest employee premium cost, not more than 83 percent of the average premium cost of plans offered in the tier with the next lowest employee premium cost, and not more than 78 percent of the average premium cost of plans offered in the tier with the highest employee premium cost. Under the bill, the actual employer share of premium costs is established on an annual basis by the director of the Office of State Employment Relations.

For the remainder of 2011, however, the bill provides that state employees, as well as employees of public authorities created by the state, who work more than

1,565 hours a year shall pay an additional \$50 a month for individual coverage and \$125 a month for family coverage for health care coverage over the amounts they are already required to pay under current law on the bill's effective date.

Finally, the bill makes the selection of health care coverage plans by public employers for their employees and the amount of the employer's and the employee's share of premium costs for health care coverage under the plans a prohibited subject of collective bargaining under the Municipal Employment Relations Act, the State Employment Labor Relations Act, and the UW System Faculty and Academic Staff Labor Relations Act.

For further information see the *state and local* 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 (4) (ag) of the statutes is repealed and recreated to read:

2           40.05 (4) (ag) The employer shall pay for its currently employed insured  
3 employees:

4           1. For insured part-time employees other than employees specified in s. 40.02  
5 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
6 appointed to work less than 1,566 hours per year, an amount equal to 50 percent of  
7 the employer contribution under subd. 2.

8           2. For eligible employees not specified in subd. 1., regardless of the plan  
9 selected by the employee, not more than 88 percent of the average premium cost of  
10 plans offered in the tier with the lowest employee premium cost under s. 40.51 (6),  
11 not more than 83 percent of the average premium cost of plans offered in the tier with  
12 the next lowest employee premium cost under s. 40.51 (6), and not more than 78  
13 percent of the average premium cost of plans offered in the tier with the highest  
14 employee premium cost under s. 40.51 (6). The director of the office of state  
15 employment relations shall establish the percentages under s. 230.04 (19).

16           **SECTION 2.** 40.05 (4) (ar) of the statutes is repealed.

1           **SECTION 3.** 111.70 (4) (mc) 6. of the statutes is created to read:

2           111.70 (4) (mc) 6. The selection of health care coverage plans by the municipal  
3 employer for municipal employees and the determination by the municipal employer  
4 of the municipal employer's and the municipal employee's shares of premium costs  
5 for health care coverage under the plans, and the impact of the selection of the health  
6 care coverage plans and the determination of the municipal employer's and the  
7 municipal employee's shares of premium costs on the wages, hours, and conditions  
8 of employment of the municipal employees.

9           **SECTION 4.** 111.91 (1) (cm) of the statutes is amended to read:

10           111.91 (1) (cm) Except as provided in sub. (2) ~~(g) and (h)~~ and ss. 40.02 (22) (e)  
11 and 40.23 (1) (f) 4., all laws governing the Wisconsin retirement system under ch. 40  
12 and all actions of the employer that are authorized under any such law which apply  
13 to nonrepresented individuals employed by the state shall apply to similarly situated  
14 employees, unless otherwise specifically provided in a collective bargaining  
15 agreement that applies to those employees.

16           **SECTION 5.** 111.91 (2) (fp) of the statutes is created to read:

17           111.91 (2) (fp) The selection of health care coverage plans under subch. IV of  
18 ch. 40 and the amount of the employer's and the employee's share of premium costs  
19 for health care coverage under the plans.

20           **SECTION 6.** 111.998 (1) (d) of the statutes is amended to read:

21           111.998 (1) (d) Except as provided in sub. (2) ~~(d) and (e)~~ and ss. 40.02 (22) (e)  
22 and 40.23 (1) (f) 4., all laws governing the Wisconsin Retirement System under ch.  
23 40 and all actions of the board that are authorized under any such law which apply  
24 to nonrepresented individuals employed by the state shall apply to similarly situated

1 employees, unless otherwise specifically provided in a collective bargaining  
2 agreement that applies to those employees.

3 **SECTION 7.** 111.998 (2) (fp) of the statutes is created to read:

4 111.998 (2) (fp) The selection of health care coverage plans under subch. IV of  
5 ch. 40 and the amount of the employer's and the employee's share of premium costs  
6 for health care coverage under the plans.

7 **SECTION 8.** 230.04 (19) of the statutes is created to read:

8 230.04 (19) Annually, before October 1, the director shall establish the  
9 employer's share of premium costs for health care coverage plans under s. 40.05 (4)  
10 (ag) 2., for health care coverage beginning on the following January 1.

11 **SECTION 9115. Nonstatutory provisions; Employee Trust Funds.**

12 (1) STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding sections 40.05 (4)  
13 (ag) and 230.04 (19) of the statutes, as affected by this act, beginning on the first day  
14 of the first month after the effective date of this subsection, and ending on December  
15 31, 2011, employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected  
16 by this act, shall pay an additional \$50 a month for individual coverage and \$125 a  
17 month for family coverage for health care coverage under section 40.51 (6) of the  
18 statutes over the amounts they are required to pay on the effective date of this  
19 subsection. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as  
20 affected by this act, shall pay the same amounts during this period they are required  
21 to pay on the effective date of this subsection.

22 **SECTION 9355. Initial applicability; Other.**

23 (1) HEALTH CARE COVERAGE PLANS AND PREMIUMS.

24 (a) For municipal employees who are covered by a collective bargaining  
25 agreement under subchapter IV of chapter 111 of the statutes that has not expired

1 before the effective date of this paragraph, the treatment of section 111.70 (4) (mc)  
2 6. of the statutes first applies on the day on which the agreement expires or is  
3 extended, modified, or renewed, whichever occurs first.

4 (b) For state employees who are covered by a collective bargaining agreement  
5 under subchapter V or VI of chapter 111 of the statutes that expires on June 30, 2011,  
6 the treatment of sections 40.05 (4) (ag), 111.91 (1) (cm) and (2) (fp), 111.998 (1) (d) and  
7 (2) (fp), and 230.04 (19) of the statutes and section 9115 (1) of this act first apply on  
8 July 1, 2011.

9 (c) For state employees who are covered by a collective bargaining agreement  
10 under subchapter V or VI of chapter 111 of the statutes that expired on June 30, 2009,  
11 and who have not entered into a new collective bargaining agreement for the period  
12 after June 30, 2009, the treatment of sections 40.05 (4) (ag), 111.91 (1) (cm) and (2)  
13 (fp), 111.998 (1) (d) and (2) (fp), and 230.04 (19) of the statutes and section 9115 (1)  
14 of this act first apply on the effective date of this paragraph.

15 (END)

D-NOTE  
↓

D-Note

LRB-0639/3ch  
RAC: jld

Caitlin Frederick:

Since new SELRA contracts were not

ratified by the legislature this month, I took out  
the situation  
Section 9355(1)(b), which dealt with the situation  
of new SELRA contracts. ✓

RAC

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0639/3dn  
RAC:jld:ph

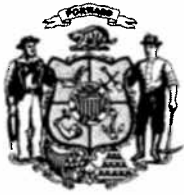
December 20, 2010

Caitlin Frederick:

Since new SELRA contracts were not ratified by the legislature this month, I took out SECTION 9355 (1) (b), which dealt with the situation of new SELRA contracts.

Rick A. Champagne  
Senior Legislative Attorney  
Phone: (608) 266-9930  
E-mail: rick.champagne@legis.wisconsin.gov





State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/3  
RAC&CMH:cjs:pm

Today

4  
RMR

DOA:.....Frederick, BB0133 - Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

**FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION**

Don't Gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**RETIREMENT AND GROUP INSURANCE**

Currently, state employees, as well as employees of public authorities created by the state, receive health care coverage under plans offered by the Group Insurance Board, which plans are assigned to one of three tiers depending on the employee's premium costs. The employer share of premium costs for employees who work more than 1,565 hours a year is an amount not less than 80 percent of the average premium costs under the various health care coverage plans. The amount for represented employees is subject to collective bargaining and the amount for nonrepresented employees is established in various compensation plans.

stay ↓ This bill provides instead that the employer may not pay more than 88 percent of the ~~average~~ premium cost of ~~plans~~ offered in the tier with the lowest employee premium cost, not more than 83 percent of the ~~average~~ premium cost of ~~plans~~ offered in the tier with the next lowest employee premium cost, and not more than 78 percent of the ~~average~~ premium cost of ~~plans~~ offered in the tier with the highest employee premium cost. Under the bill, the actual employer share of premium costs is established on an annual basis by the director of the Office of State Employment Relations.

For the remainder of 2011, however, the bill provides that state employees, as well as employees of public authorities created by the state, who work more than

ANY PLANS

1,565 hours a year shall pay an additional \$50 a month for individual coverage and \$125 a month for family coverage for health care coverage over the amounts they are already required to pay under current law on the bill's effective date.

Finally, the bill makes the selection of health care coverage plans by public employers for their employees and the amount of the employer's and the employee's share of premium costs for health care coverage under the plans a prohibited subject of collective bargaining under the Municipal Employment Relations Act, the State Employment Labor Relations Act, and the UW System Faculty and Academic Staff Labor Relations Act.

For further information see the *state and local* 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 (4) (ag) of the statutes is repealed and recreated to read:

2 40.05 (4) (ag) The employer shall pay for its currently employed insured  
3 employees:

4 1. For insured part-time employees other than employees specified in s. 40.02  
5 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
6 appointed to work less than 1,566 hours per year, an amount equal to 50 percent of  
7 the employer contribution under subd. 2.

8 2. For eligible employees not specified in subd. 1., ~~regardless of the plan~~  
9 ~~selected by the employer~~ ~~not more than 88 percent of the average premium cost of~~  
10 ~~plans~~ offered in the tier with the lowest employee premium cost under s. 40.51 (6),  
11 not more than 83 percent of the ~~average~~ premium cost of ~~plans~~ offered in the tier with  
12 the next lowest employee premium cost under s. 40.51 (6), and not more than 78  
13 percent of the ~~average~~ premium cost of ~~plans~~ offered in the tier with the highest  
14 employee premium cost under s. 40.51 (6). The director of the office of state  
15 employment relations shall establish the percentages under s. 230.04 (19).

16 SECTION 2. 40.05 (4) (ar) of the statutes is repealed.

✓

1           **SECTION 3.** 111.70 (4) (mc) 6. of the statutes is created to read:

2           111.70 (4) (mc) 6. The selection of health care coverage plans by the municipal  
3 employer for municipal employees and the determination by the municipal employer  
4 of the municipal employer's and the municipal employee's shares of premium costs  
5 for health care coverage under the plans, and the impact of the selection of the health  
6 care coverage plans and the determination of the municipal employer's and the  
7 municipal employee's shares of premium costs on the wages, hours, and conditions  
8 of employment of the municipal employees.

9           **SECTION 4.** 111.91 (1) (cm) of the statutes is amended to read:

10           111.91 (1) (cm) Except as provided in sub. (2) ~~(g) and (h)~~ and ss. 40.02 (22) (e)  
11 and 40.23 (1) (f) 4., all laws governing the Wisconsin retirement system under ch. 40  
12 and all actions of the employer that are authorized under any such law which apply  
13 to nonrepresented individuals employed by the state shall apply to similarly situated  
14 employees, unless otherwise specifically provided in a collective bargaining  
15 agreement that applies to those employees.

16           **SECTION 5.** 111.91 (2) (fp) of the statutes is created to read:

17           111.91 (2) (fp) The selection of health care coverage plans under subch. IV of  
18 ch. 40 and the amount of the employer's and the employee's share of premium costs  
19 for health care coverage under the plans.

20           **SECTION 6.** 111.998 (1) (d) of the statutes is amended to read:

21           111.998 (1) (d) Except as provided in sub. (2) ~~(d) and (e)~~ and ss. 40.02 (22) (e)  
22 and 40.23 (1) (f) 4., all laws governing the Wisconsin Retirement System under ch.  
23 40 and all actions of the board that are authorized under any such law which apply  
24 to nonrepresented individuals employed by the state shall apply to similarly situated

1 employees, unless otherwise specifically provided in a collective bargaining  
2 agreement that applies to those employees.

3 **SECTION 7.** 111.998 (2) (fp) of the statutes is created to read:

4 111.998 (2) (fp) The selection of health care coverage plans under subch. IV of  
5 ch. 40 and the amount of the employer's and the employee's share of premium costs  
6 for health care coverage under the plans.

7 **SECTION 8.** 230.04 (19) of the statutes is created to read:

8 230.04 (19) Annually, before October 1, the director shall establish the  
9 employer's share of premium costs for health care coverage plans under s. 40.05 (4)  
10 (ag) 2., for health care coverage beginning on the following January 1.

11 **SECTION 9115. Nonstatutory provisions; Employee Trust Funds.**

12 (1) STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding sections 40.05 (4)  
13 (ag) and 230.04 (19) of the statutes, as affected by this act, beginning on the first day  
14 of the first month after the effective date of this subsection, and ending on December  
15 31, 2011, employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected  
16 by this act, shall pay an additional \$50 a month for individual coverage and \$125 a  
17 month for family coverage for health care coverage under section 40.51 (6) of the  
18 statutes over the amounts they are required to pay on the effective date of this  
19 subsection. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as  
20 affected by this act, shall pay the same amounts during this period they are required  
21 to pay on the effective date of this subsection.

22 **SECTION 9355. Initial applicability; Other.**

23 (1) HEALTH CARE COVERAGE PLANS AND PREMIUMS.

24 (a) For municipal employees who are covered by a collective bargaining  
25 agreement under subchapter IV of chapter 111 of the statutes that has not expired

1 before the effective date of this paragraph, the treatment of section 111.70 (4) (mc)  
2 6. of the statutes first applies on the day on which the agreement expires or is  
3 extended, modified, or renewed, whichever occurs first.

4 (b) For state employees who are covered by a collective bargaining agreement  
5 under subchapter V or VI of chapter 111 of the statutes that expired on June 30, 2009,  
6 and who have not entered into a new collective bargaining agreement for the period  
7 after June 30, 2009, the treatment of sections 40.05 (4) (ag), 111.91 (1) (cm) and (2)  
8 (fp), 111.998 (1) (d) and (2) (fp), and 230.04 (19) of the statutes and section 9115 (1)  
9 of this act first apply on the effective date of this paragraph.

10

(END)

Per Caitlin (12/30/1), repeal  
s. 40.03 (6) (c).

Also, repeal s. 40.03 (6) (d) 2.

+

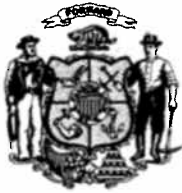
HAAR DOA secretary

approve health insurance

Contract for 2012 + 2013

MAY consult w/ OSER +

DETF.



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/4 5

RAC&CMH:cjs&kjf:rs

Stays RMR

DOA:.....Frederick, BB0133 - Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

**FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION**

SN

- do not gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**RETIREMENT AND GROUP INSURANCE**

Currently, state employees, as well as employees of public authorities created by the state, receive health care coverage under plans offered by the Group Insurance Board, which plans are assigned to one of three tiers depending on the employee's premium costs. The employer share of premium costs for employees who work more than 1,565 hours a year is an amount not less than 80 percent of the average premium costs under the various health care coverage plans. The amount for represented employees is subject to collective bargaining and the amount for nonrepresented employees is established in various compensation plans.

This bill provides instead that the employer may not pay more than 88 percent of the premium cost of any plan offered in the tier with the lowest employee premium cost, not more than 83 percent of the premium cost of any plan offered in the tier with the next lowest employee premium cost, and not more than 78 percent of the premium cost of any plan offered in the tier with the highest employee premium cost. Under the bill, the actual employer share of premium costs is established on an annual basis by the director of the Office of State Employment Relations.

For the remainder of 2011, however, the bill provides that state employees, as well as employees of public authorities created by the state, who work more than 1,565 hours a year shall pay an additional \$50 a month for individual coverage and

Insert Analysis

<sup>The</sup> \$125 a month for family coverage for health care coverage over the amounts they are already required to pay under current law on the bill's effective date.

~~Finally~~ <sup>also</sup> the bill makes the selection of health care coverage plans by public employers for their employees and the amount of the employer's and the employee's share of premium costs for health care coverage under the plans a prohibited subject of collective bargaining under the Municipal Employment Relations Act, the State Employment Labor Relations Act, and the UW System Faculty and Academic Staff Labor Relations Act.

For further information see the *state and local* 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 (4) (ag) of the statutes is repealed and recreated to read:

2 40.05 (4) (ag) The employer shall pay for its currently employed insured  
3 employees:

4 1. For insured part-time employees other than employees specified in s. 40.02  
5 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
6 appointed to work less than 1,566 hours per year, an amount equal to 50 percent of  
7 the employer contribution under subd. 2.

8 2. For eligible employees not specified in subd. 1., not more than 88 percent of  
9 the premium cost of any plan offered in the tier with the lowest employee premium  
10 cost under s. 40.51 (6), not more than 83 percent of the premium cost of any plan  
11 offered in the tier with the next lowest employee premium cost under s. 40.51 (6), and  
12 not more than 78 percent of the premium cost of any plan offered in the tier with the  
13 highest employee premium cost under s. 40.51 (6). The director of the office of state  
14 employment relations shall establish the percentages under s. 230.04 (19).

15 SECTION 2. 40.05 (4) (ar) of the statutes is repealed.

16 SECTION 3. 111.70 (4) (mc) 6. of the statutes is created to read:

Insert 2-15 ✓



1           111.70 (4) (mc) 6. The selection of health care coverage plans by the municipal  
2 employer for municipal employees and the determination by the municipal employer  
3 of the municipal employer's and the municipal employee's shares of premium costs  
4 for health care coverage under the plans, and the impact of the selection of the health  
5 care coverage plans and the determination of the municipal employer's and the  
6 municipal employee's shares of premium costs on the wages, hours, and conditions  
7 of employment of the municipal employees.

8           **SECTION 4.** 111.91 (1) (cm) of the statutes is amended to read:

9           111.91 (1) (cm) Except as provided in sub. (2) ~~(g) and (h)~~ and ss. 40.02 (22) (e)  
10 and 40.23 (1) (f) 4., all laws governing the Wisconsin retirement system under ch. 40  
11 and all actions of the employer that are authorized under any such law which apply  
12 to nonrepresented individuals employed by the state shall apply to similarly situated  
13 employees, unless otherwise specifically provided in a collective bargaining  
14 agreement that applies to those employees.

15           **SECTION 5.** 111.91 (2) (fp) of the statutes is created to read:

16           111.91 (2) (fp) The selection of health care coverage plans under subch. IV of  
17 ch. 40 and the amount of the employer's and the employee's share of premium costs  
18 for health care coverage under the plans.

19           **SECTION 6.** 111.998 (1) (d) of the statutes is amended to read:

20           111.998 (1) (d) Except as provided in sub. (2) ~~(d) and (e)~~ and ss. 40.02 (22) (e)  
21 and 40.23 (1) (f) 4., all laws governing the Wisconsin Retirement System under ch.  
22 40 and all actions of the board that are authorized under any such law which apply  
23 to nonrepresented individuals employed by the state shall apply to similarly situated  
24 employees, unless otherwise specifically provided in a collective bargaining  
25 agreement that applies to those employees.

1           **SECTION 7.** 111.998 (2) (fp) of the statutes is created to read:

2           111.998 (2) (fp) The selection of health care coverage plans under subch. IV of  
3 ch. 40 and the amount of the employer's and the employee's share of premium costs  
4 for health care coverage under the plans.

5           **SECTION 8.** 230.04 (19) of the statutes is created to read:

6           230.04 (19) Annually, before October 1, the director shall establish the  
7 employer's share of premium costs for health care coverage plans under s. 40.05 (4)  
8 (ag) 2., for health care coverage beginning on the following January 1.

9           **SECTION 9115. Nonstatutory provisions; Employee Trust Funds.**

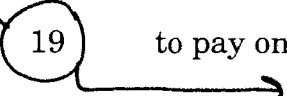
10           (1) STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding sections 40.05 (4)  
11 (ag) and 230.04 (19) of the statutes, as affected by this act, beginning on the first day  
12 of the first month after the effective date of this subsection, and ending on December  
13 31, 2011, employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected  
14 by this act, shall pay an additional \$50 a month for individual coverage and \$125 a  
15 month for family coverage for health care coverage under section 40.51 (6) of the  
16 statutes over the amounts they are required to pay on the effective date of this  
17 subsection. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as  
18 affected by this act, shall pay the same amounts during this period they are required  
19 to pay on the effective date of this subsection.

20           **SECTION 9355. Initial applicability; Other.**

21           (1) HEALTH CARE COVERAGE PLANS AND PREMIUMS.

22           (a) For municipal employees who are covered by a collective bargaining  
23 agreement under subchapter IV of chapter 111 of the statutes that has not expired  
24 before the effective date of this paragraph, the treatment of section 111.70 (4) (mc)

4-19



1 6. of the statutes first applies on the day on which the agreement expires or is  
2 extended, modified, or renewed, whichever occurs first.

3 (b) For state employees who are covered by a collective bargaining agreement  
4 under subchapter V or VI of chapter 111 of the statutes that expired on June 30, 2009,  
5 and who have not entered into a new collective bargaining agreement for the period  
6 after June 30, 2009, the treatment of sections 40.05 (4) (ag), 111.91 (1) (cm) and (2)  
7 (fp), 111.998 (1) (d) and (2) (fp), and 230.04 (19) of the statutes and section 9115 (1)  
8 of this act first apply on the effective date of this paragraph.

9 (END)

2011-2012 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0639/5ins  
RAC&CMH:cjs&kjf:rs

Finally,

**Insert Analysis:**

The bill eliminates a current law restriction on the Group Insurance Board, which prohibits the board from materially affecting the level of premiums required to be paid by the state or its employees, or the level of benefits to be provided, under any group insurance coverage plan. In addition, the bill requires the Group Insurance Board to submit all contracts for group health insurance for health care coverage in 2012 and 2013 to the secretary of administration for approval.

**Insert 2-15:**

SECTION 1. 40.03 (6) (c) of the statutes is repealed.

SECTION 2. 40.03 (6) (d) 2. of the statutes is repealed.

**Insert 4-19:**

(2) APPROVAL OF CONTRACTS FOR GROUP INSURANCE PLANS. Notwithstanding section 40.03 (6) of the statutes, the group insurance board may not enter into any contract for group health insurance for health care coverage in 2012 and 2013 unless the contract is submitted to the secretary of administration and the secretary of administration approves the contract. The secretary of administration shall consult with the director of the office of state employment relations and the secretary of employee trust funds before approving any contract for group health insurance.

LPS:  
replace  
hard number  
with  
auto number

1/18/2011

Per CATLIN

Health Insurance Contributions  
BB0133 (should be Budget Adjustment Bill)

- Employer prohibited from paying more than 88 percent of the average premium of Tier 1 plans
  - For CY11, Employee Contributions for Tier 1 plans should be increased to \$84 month for single and \$208 month for family for state employees
  - Tier 2 & 3 plans increase to \$122 single/\$307 family (Tier 2), \$226 single/\$567 family (Tier 3) per month

- Local employers participating in the Public Employers Group Health insurance prohibited from paying ~~more than 88 percent of the lowest~~ cost plan.
- Effective the first pay period in which health insurance payments are made following passage of the bill
  - Retroactive payments to reflect effective date must be collected by the end of FY11
  - [payroll will not be able to institute the changes immediately]



*D-NOR*  
State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/5

RAC&CMH:cjs&kjf:rs

TODAY

Stays

*6*  
*RMR*

DOA:.....Frederick, BB0133 - Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

**FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION**

*- do not join*

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*  
**RETIREMENT AND GROUP INSURANCE**

Currently, state employees, as well as employees of public authorities created by the state, receive health care coverage under plans offered by the Group Insurance Board, which plans are assigned to one of three tiers depending on the employee's premium costs. The employer share of premium costs for employees who work more than 1,565 hours a year is an amount not less than 80 percent of the average premium costs under the various health care coverage plans. The amount for represented employees is subject to collective bargaining and the amount for nonrepresented employees is established in various compensation plans.

~~This bill provides instead that the employer may not pay more than 88 percent of the premium cost of any plan offered in the tier with the lowest employee premium cost, not more than 83 percent of the premium cost of any plan offered in the tier with the next lowest employee premium cost, and not more than 78 percent of the premium cost of any plan offered in the tier with the highest employee premium cost. Under the bill, the actual employer share of premium costs is established on an annual basis by the director of the Office of State Employment Relations.~~

~~For the remainder of 2011, however, the bill provides that state employees, as well as employees of public authorities created by the state, who work more than 1,565 hours a year shall pay an additional \$50 a month for individual coverage and~~

~~\$125 a month for family coverage for health care coverage over the amounts they are already required to pay under current law on the bill's effective date.~~

~~The bill also makes the selection of health care coverage plans by public employers for their employees and the amount of the employer's and the employee's share of premium costs for health care coverage under the plans a prohibited subject of collective bargaining under the Municipal Employment Relations Act, the State Employment Labor Relations Act, and the UW System Faculty and Academic Staff Labor Relations Act.~~

~~Finally, the bill eliminates a current law restriction on the Group Insurance Board, which prohibits the board from materially affecting the level of premiums required to be paid by the state or its employees, or the level of benefits to be provided, under any group insurance coverage plan. In addition, the bill requires the Group Insurance Board to submit all contracts for group health insurance for health care coverage in 2012 and 2013 to the secretary of administration for approval.~~

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*Insert Analysis*

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

1 ~~SECTION 1. 40.03 (6) (c) of the statutes is repealed.~~ x

2 ~~SECTION 2. 40.03 (6) (d) 2. of the statutes is repealed.~~ x

3 SECTION 3. 40.05 (4) (ag) of the statutes is repealed and recreated to read:

4 40.05 (4) (ag) The employer shall pay for its currently employed insured  
5 employees:

6 1. For insured part-time employees other than employees specified in s. 40.02  
7 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
8 appointed to work less than 1,566 hours per year, an amount equal to 50 percent of  
9 the employer contribution under subd. 2.

10 2. For eligible employees not specified in subd. 1., not more than 88 percent of  
11 the premium cost of any plan offered in the tier with the lowest employee premium  
12 cost under s. 40.51 (6), not more than 83 percent of the premium cost of any plan  
13 offered in the tier with the next lowest employee premium cost under s. 40.51 (6), and



1 not more than 78 percent of the premium cost of any plan offered in the tier with the  
2 highest employee premium cost under s. 40.51 (6). The director of the office of state  
3 employment relations shall establish the percentages under s. 230.04 (19).

4 **SECTION 4.** 40.05 (4) (ar) of the statutes is repealed.

INS X

5 **SECTION 5.** 111.70 (4) (mc) 6. of the statutes is created to read:

6 111.70 (4) (mc) 6. The selection of health care coverage plans by the municipal  
7 employer for municipal employees and the determination by the municipal employer  
8 of the municipal employer's and the municipal employee's shares of premium costs  
9 for health care coverage under the plans, and the impact of the selection of the health  
10 care coverage plans and the determination of the municipal employer's and the  
11 municipal employee's shares of premium costs on the wages, hours, and conditions  
12 of employment of the municipal employees.

13 **SECTION 6.** 111.91 (1) (cm) of the statutes is amended to read:

14 111.91 (1) (cm) Except as provided in sub. (2) (g) and (h) and ss. 40.02 (22) (e)  
15 and 40.23 (1) (f) 4., all laws governing the Wisconsin retirement system under ch. 40  
16 and all actions of the employer that are authorized under any such law which apply  
17 to nonrepresented individuals employed by the state shall apply to similarly situated  
18 employees, unless otherwise specifically provided in a collective bargaining  
19 agreement that applies to those employees.

20 **SECTION 7.** 111.91 (2) (fp) of the statutes is created to read:

21 111.91 (2) (fp) The selection of health care coverage plans under subch. IV of  
22 ch. 40 and the amount of the employer's and the employee's share of premium costs  
23 for health care coverage under the plans.

24 **SECTION 8.** 111.998 (1) (d) of the statutes is amended to read:

Insert 3-4

Insert 3-5

**SECTION 8**

1           111.998 (1) (d) Except as provided in sub. (2) (d) and (e) and ss. 40.02 (22) (e)  
 2 and 40.23 (1) (f) 4., all laws governing the Wisconsin Retirement System under ch.  
 3 40 and all actions of the board that are authorized under any such law which apply  
 4 to nonrepresented individuals employed by the state shall apply to similarly situated  
 5 employees, unless otherwise specifically provided in a collective bargaining  
 6 agreement that applies to those employees.

7           **SECTION 9.** 111.998 (2) (fp) of the statutes is created to read:

8           111.998 (2) (fp) The selection of health care coverage plans under subch. IV of  
 9 ch. 40 and the amount of the employer's and the employee's share of premium costs  
 10 for health care coverage under the plans.

11           **SECTION 10.** 230.04 (19) of the statutes is created to read:

12           230.04 (19) Annually, before October 1, the director shall establish the  
 13 employer's share of premium costs for health care coverage plans under s. 40.05 (4)  
 14 (ag) 2., for health care coverage beginning on the following January 1.

15           **SECTION 9115. Nonstatutory provisions; Employee Trust Funds.**

16           (1) STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding sections 40.05 (4)  
 17 (ag) and 230.04 (19) of the statutes, as affected by this act, beginning on the first day  
 18 of the first month after the effective date of this subsection, and ending on December  
 19 31, 2011, employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected  
 20 by this act, shall pay an additional \$50 a month for individual coverage and \$125 a  
 21 month for family coverage for health care coverage under section 40.51 (6) of the  
 22 statutes over the amounts they are required to pay on the effective date of this  
 23 subsection. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as  
 24 affected by this act, shall pay the same amounts during this period they are required  
 25 to pay on the effective date of this subsection.

Insert 4-16

1           (2) APPROVAL OF CONTRACTS FOR GROUP INSURANCE PLANS. Notwithstanding  
2 section 40.03 (6) of the statutes, the group insurance board may not enter into any  
3 contract for group health insurance for health care coverage in 2012 and 2013 unless  
4 the contract is submitted to the secretary of administration and the secretary of  
5 administration approves the contract. The secretary of administration shall consult  
6 with the director of the office of state employment relations and the secretary of  
7 employee trust funds before approving any contract for group health insurance.

8           **SECTION 9355. Initial applicability; Other.**

9           (1) HEALTH CARE COVERAGE PLANS AND PREMIUMS.

10           (a) For municipal employees who are covered by a collective bargaining  
11 agreement under subchapter IV of chapter 111 of the statutes that has not expired  
12 before the effective date of this paragraph, the treatment of section 111.70 (4) (mc)  
13 6. of the statutes first applies on the day on which the agreement expires or is  
14 extended, modified, or renewed, whichever occurs first.

15           (b) For state employees who are covered by a collective bargaining agreement  
16 under subchapter V or VI of chapter 111 of the statutes that expired on June 30, 2009,  
17 and who have not entered into a new collective bargaining agreement for the period  
18 after June 30, 2009, the treatment of sections 40.05 (4) (ag), 111.91 (1) (cm) and (2)  
19 (fp), 111.998 (1) (d) and (2) (fp), and 230.04 (19) of the statutes and section 9115 (1)  
20 of this act first apply on the effective date of this paragraph.

21           (END)

D-note

2011-2012 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0639/6ins  
RAC&CMH:cjs&kjf:rs

**Insert Analysis:**

This bill provides instead that the employer may not pay more than 88 percent of the premium cost of the least expensive plan offered in the tier with the lowest employee premium cost. For employees who work less than 1,566 hours a year, they must pay an amount not ~~less~~ more than 50 percent of the employer contribution for employees who work more than 1,565 hours a year. Under the bill, the actual employer and employee share of premium costs is established on an annual basis by the director of the Office of State Employment Relations.

For the remainder of 2011, however, the bill provides that state employees, as well as employees of public authorities created by the state, who work more than 1,565 hours a year shall pay \$84 a month for individual coverage and \$208 a month for family coverage for health care coverage under any plan offered in the tier with the lowest employee premium cost; \$122 a month for individual coverage and \$307 a month for family coverage for health care coverage under any plan offered in the tier with the next lowest employee premium cost; and \$226 a month for individual coverage and \$567 a month for family coverage for health care coverage under any plan offered in the tier with the highest employee premium cost. Employees who work less than 1,566 hours a year are required to pay the same amount for health care coverage during 2011 that they were required to pay before the bill's effective date.

**Insert 3-4:**

1. For insured part-time employees other than employees specified in s. 40.02 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are appointed to work less than 1,566 hours per year, an amount not ~~less~~ more than 50 percent of the employer contribution under subd. 2. Annually, the director of the office of state employment relations shall establish the ~~amount~~ percent of the premium cost that the employer and employee are required to pay under this subdivision.

2. For eligible employees not specified in subd. 1., an amount not more than 88 percent of the premium cost of the least expensive plan offered in the tier with the lowest employee premium cost under s. 40.51 (6). Annually, the director of the office of state employment relations shall establish the ~~amount~~ percent of the premium cost that the employer and employee are required to pay under this subdivision.

**Insert 3-5:**

**SECTION 1.** 40.51 (7) of the statutes is amended to read:

40.51 (7) Any employer, other than the state, may offer to all of its employees a health care coverage plan through a program offered by the group insurance board. Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule establish different eligibility standards or contribution requirements for such employees and employers and may by rule limit the categories of employers, other than the state, which may be included as participating employers under this subchapter. Beginning on January 1, 2012, an employer may not offer a health care coverage plan to its employees under this subsection if the employer pays more than 88 percent of the premium cost of any plan.

History: 1981 c. 96; 1983 a. 27; 1985 a. 29; 1987 a. 27, 107, 356; 1987 a. 403 s. 256; 1989 a. 31, 93, 121, 129, 182, 201, 336, 359; 1991 a. 39, 70, 113, 152, 269, 315, 1993 a. 450, 481; 1995 a. 289; 1997 a. 27, 155, 202, 237, 252; 1999 a. 32, 95, 115, 155; 2001 a. 16, 38, 104; 2003 a. 33; 2005 a. 194; 2007 a. 36; 2009 a. 14, 28, 146, 218, 346; s. 13.92 (2) (i).

**Insert 4-16:**

<sup>(1)</sup> STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding sections 40.05 (4) (ag), as affected by this act, beginning on the first day of the first pay period after the effective date of this subsection, and ending on December 31, 2011, employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected by this act, shall pay \$84 a month for individual coverage and \$208 a month for family coverage for health care coverage under any plan offered in the tier with the lowest employee premium cost under section 40.51 (6) of the statutes; \$122 a month for individual coverage and \$307 a month for family coverage for health care coverage under any plan offered in the tier with the next lowest employee premium cost under section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567 a month for family coverage for health care coverage under any plan offered in the tier with the highest employee premium cost under section 40.51 (6) of the statutes.

LPS:  
use  
autonumber  
not  
hard  
number

Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected by this act, shall pay the same amounts during this period <sup>that</sup> they are required to pay on the day before the effective date of this subsection. If an employer is unable to modify payroll procedures in sufficient time to collect employees' increased share of the premium costs for health care coverage before the first day of the first pay period after the effective date of this subsection, <sup>the</sup> an employer shall recover all amounts that employees owe for the increased share of premium cost before July 1, 2011.

INS X

⑨ Sec. #. AM; 40.05(4)(c)

~~40.05(4)(c)~~

amount

⑨ 40.05(4)(c) The employer shall contribute toward the payment of premiums for the plan established under s. 40.52 (3) not more than the ~~percentage~~ of premium paid by the employer for health insurance coverage under par. (ag) 2.

ⓑ



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0639/6dn  
RAC&CMH:cjs&kjf:rs

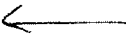
1  
slays

- date -

Caitlin Frederick-Morgan:

This version is drafted on the assumption that SELRA and the UW collective bargaining law are repealed. If for any reason this draft is not compiled into a larger bill in which SELRA and the UW collective bargaining law are repealed, I will need to redraft.

I also specified that the 88 percent requirement for local government employers will first apply on January 1, 2012. The reason is that local government employers have already contracted with GIB to receive health care coverage for their employees, most of whom who are under collective bargaining agreements with terms specifying employer share of premium costs for health insurance.



Rick A. Champagne  
Senior Legislative Attorney  
Phone: (608) 266-9930  
E-mail: rick.champagne@legis.wisconsin.gov



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0639/6dn  
RAC:cjs:md

January 19, 2011

Caitlin Frederick-Morgan:

This version is drafted on the assumption that SELRA and the UW collective bargaining law are repealed. If for any reason this draft is not compiled into a larger bill in which SELRA and the UW collective bargaining law are repealed, I will need to redraft.

I also specified that the 88 percent requirement for local government employers will first apply on January 1, 2012. The reason is that local government employers have already contracted with GIB to receive health care coverage for their employees, most of whom who are under collective bargaining agreements with terms specifying employer share of premium costs for health insurance.

Rick A. Champagne  
Senior Legislative Attorney  
Phone: (608) 266-9930  
E-mail: rick.champagne@legis.wisconsin.gov

## Champagne, Rick

---

**From:** Frederick, Caitlin - DOA [caitlin.frederick@wisconsin.gov]

**Sent:** Sunday, January 23, 2011 8:43 AM

**To:** Champagne, Rick

**Subject:** Draft tweaks (so far)

Health Insurance Contributions:

- o Should be 88% of the average cost of the plans in the lowest cost tier.

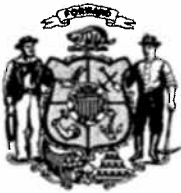
Regarding the e-mail I sent yesterday, it sounds like Cari-Anne would like to see some boilerplate language that indicates that the contribution requirements at the local level should be emphasized as a means to address statewide fiscal concerns pertaining to local government. We can discuss this further Monday (or this morning, if you happen to be in!)

SELRA/MERA

- o Modify language to include normal boilerplate about the effective date being when contracts expires (since UWHC have contracts) and to address the contract extensions that are currently in place (where we thought they were "expired").
- o Remove the reference to the date the Classification and Compensation Plan will be complete by (July 1, 2011). [a new strategy has been employed]

That's it for now.

*Caitlin Morgan Frederick  
Executive Policy and Budget Analyst-Senior  
State of Wisconsin Division of Budget & Finance  
101 E. Wilson, 10th fl  
Madison, WI 53702  
608-266-8777*



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/6 7

RAC&CMH:cjs&kjf:md

Today

stays

DOA:.....Frederick, BB0133 - Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

**FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION**

1 AN ACT ...; relating to: the budget.

parents  
do NOT gen  
(G-1B)

*Analysis by the Legislative Reference Bureau*  
**RETIREMENT AND GROUP INSURANCE**

Currently, state employees, as well as employees of public authorities created by the state, receive health care coverage under plans offered by the Group Insurance Board, which plans are assigned to one of three tiers depending on the employee's premium costs. The employer share of premium costs for employees who work more than 1,565 hours a year is an amount not less than 80 percent of the average premium costs under the various health care coverage plans. The amount for represented employees is subject to collective bargaining and the amount for nonrepresented employees is established in various compensation plans.

This bill provides instead that the employer may not pay more than 88 percent of the premium cost of the ~~least expensive plan~~ offered in the tier with the lowest employee premium cost. For employees who work less than 1,566 hours a year, the employer must pay an amount not more than 50 percent of the employer contribution for employees who work more than 1,565 hours a year. Under the bill, the actual employer and employee share of premium costs is established on an annual basis by the director of the Office of State Employment Relations.

For the remainder of 2011, however, the bill provides that state employees, as well as employees of public authorities created by the state, who work more than 1,565 hours a year shall pay \$84 a month for individual coverage and \$208 a month

average

plans

for family coverage for health care coverage under any plan offered in the tier with the lowest employee premium cost; \$122 a month for individual coverage and \$307 a month for family coverage for health care coverage under any plan offered in the tier with the next lowest employee premium cost; and \$226 a month for individual coverage and \$567 a month for family coverage for health care coverage under any plan offered in the tier with the highest employee premium cost. Employees who work less than 1,566 hours a year are required to pay the same amount for health care coverage during 2011 that they were required to pay before the bill's effective date.

For further information see the *state and local* 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 (4) (ag) of the statutes is repealed and recreated to read:

2 40.05 (4) (ag) The employer shall pay for its currently employed insured  
3 employees:

4 1. For insured part-time employees other than employees specified in s. 40.02  
5 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
6 appointed to work less than 1,566 hours per year, an amount not more than 50  
7 percent of the employer contribution under subd. 2. Annually, the director of the  
8 office of state employment relations shall establish the amount that the employer is  
9 required to pay under this subdivision.

10 2. For eligible employees not specified in subd. 1., an amount not more than 88  
11 percent of the <sup>average</sup> premium cost of ~~the least expensive plan~~ <sup>plans</sup> offered in the tier with the  
12 lowest employee premium cost under s. 40.51 (6). Annually, the director of the office  
13 of state employment relations shall establish the amount that the employer is  
14 required to pay under this subdivision.

15 SECTION 2. 40.05 (4) (ar) of the statutes is repealed.

16 SECTION 3. 40.05 (4) (c) of the statutes is amended to read:

1           40.05 (4) (c) The employer shall contribute toward the payment of premiums  
2 for the plan established under s. 40.52 (3) not more than the percentage amount of  
3 premium paid by the employer for health insurance coverage under par. (ag) 2.

4           **SECTION 4.** 40.51 (7) of the statutes is amended to read:

employee

5           40.51 (7) Any employer, other than the state, may offer to all of its employees  
6 a health care coverage plan through a program offered by the group insurance board.  
7 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule  
8 establish different eligibility standards or contribution requirements for such  
9 employees and employers and may by rule limit the categories of employers, other  
10 than the state, which may be included as participating employers under this  
11 subchapter. Beginning on January 1, 2012, an employer may not offer a health care

12 coverage plan to its employees under this subsection if the employer pays more than  
13 88 percent of the <sup>average</sup> premium cost of ~~any plan~~ plans offered in any tier with  
the lowest premium cost under

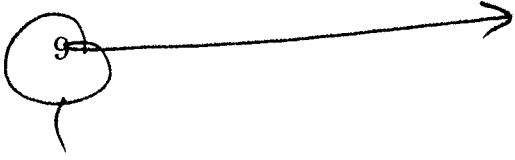
14           **SECTION 9115. Nonstatutory provisions; Employee Trust Funds.** this  
subsection

15           (1) STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding section 40.05 (4)  
16 (ag) of the statutes, as affected by this act, beginning on the first day of the first pay  
17 period after the effective date of this subsection, and ending on December 31, 2011,  
18 employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected by this  
19 act, shall pay \$84 a month for individual coverage and \$208 a month for family  
20 coverage for health care coverage under any plan offered in the tier with the lowest  
21 employee premium cost under section 40.51 (6) of the statutes; \$122 a month for  
22 individual coverage and \$307 a month for family coverage for health care coverage  
23 under any plan offered in the tier with the next lowest employee premium cost under  
24 section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567  
25 a month for family coverage for health care coverage under any plan offered in the

create  
a.r.  
X

1 tier with the highest employee premium cost under section 40.51 (6) of the statutes.  
2 Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected by this  
3 act, shall pay the same amounts during this period that they are required to pay on  
4 the day before the effective date of this subsection. If an employer is unable to modify  
5 payroll procedures in sufficient time to collect employees' increased share of the  
6 premium costs for health care coverage before the first day of the first pay period  
7 after the effective date of this subsection, the employer shall recover all amounts that  
8 employees owe for the increased share of premium cost before July 1, 2011.

(END)



Insert 4-9

**Insert Analysis:**

The bill further provides that a local government employer who participates in the local government health insurance plan offered by GIB may not participate in the plan if it intends to pay more than 88 percent of the average premium cost plans offered in any tier with the lowest employee premium cost.

**Insert 4-9:**

**SECTION 9315. Initial applicability; Employee Trust Funds.**

~~#~~ (1) HEALTH CARE COVERAGE PREMIUMS. The treatment of sections 40.05 (4) (ag), (ar), and (c) of the statutes and <sup>(CS)</sup> section 9115 (1) of this act first applies to employees who are covered by a collective bargaining agreement that contains provisions inconsistent with this act on the day on which the agreement expires or is extended, modified, or renewed, whichever occurs first.

of

use autonumber  
not hard number

use a.r. X  
from p. 3 of  
the bill