

TODAY  
State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/78

RAC&CMH:cjs&kjf:md

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**

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do NOT go

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 (GIB), 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. 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

for pay periods after  
March 26, 2011,

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.

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 of plans offered in any tier with the lowest employee premium cost.

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 average premium cost of plans offered in the tier with the lowest  
12 employee premium cost under s. 40.51 (6). Annually, the director of the office of state  
13 employment relations shall establish the amount that the employer is required to  
14 pay under this subdivision.

1           **SECTION 2.** 40.05 (4) (ar) of the statutes is repealed.

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

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

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

7           40.51 (7) Any employer, other than the state, may offer to all of its employees  
8 a health care coverage plan through a program offered by the group insurance board.  
9 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule  
10 establish different eligibility standards or contribution requirements for such  
11 employees and employers and may by rule limit the categories of employers, other  
12 than the state, which may be included as participating employers under this  
13 subchapter. Beginning on January 1, 2012, an employer may not offer a health care  
14 coverage plan to its employees under this subsection if the employer pays more than  
15 88 percent of the average premium cost of plans offered in any tier with the lowest  
16 employee premium cost under this subsection.

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

18           (1) STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding section 40.05 (4)  
19 (ag) of the statutes, as affected by this act, beginning <sup>with health insurance premiums paid</sup> on the first day of the first pay  
20 period after <sup>March 26, 2011</sup> ~~the effective date of this subsection~~, and ending on December 31, 2011,  
21 employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected by this  
22 act, shall pay \$84 a month for individual coverage and \$208 a month for family  
23 coverage for health care coverage under any plan offered in the tier with the lowest  
24 employee premium cost under section 40.51 (6) of the statutes; \$122 a month for  
25 individual coverage and \$307 a month for family coverage for health care coverage

1 under any plan offered in the tier with the next lowest employee premium cost under  
2 section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567  
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4 tier with the highest employee premium cost under section 40.51 (6) of the statutes.  
5 Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected by this  
6 act, shall pay the same amounts during this period that they are required to pay on  
7 the day before the effective date of this subsection. If an employer is unable to modify  
8 payroll procedures in sufficient time to collect employees' increased share of the  
9 premium costs for health care coverage before the first day of the first pay period  
10 after <sup>March 26, 2011</sup> ~~the effective date of this subsection~~, the employer shall recover all amounts that  
11 employees owe for the increased share of premium cost before July 1, 2011.

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

13 (1) HEALTH CARE COVERAGE PREMIUMS. The treatment of section 40.05 (4) (ag),  
14 (ar), and (c) of the statutes and SECTION 9115 (1) of this act first apply to employees  
15 who are covered by a collective bargaining agreement that contains provisions  
16 inconsistent with this act on the day on which the agreement expires or is extended,  
17 modified, or renewed, whichever occurs first.

18 (END)

## Champagne, Rick

---

**From:** Frederick, Caitlin - DOA [caitlin.frederick@wisconsin.gov]  
**Sent:** Thursday, January 27, 2011 8:03 PM  
**To:** Champagne, Rick  
**Subject:** RE: Health Insurance Draft

Yes. Future years set by OSER Director.

---

From: Champagne, Rick [Rick.Champagne@legis.wisconsin.gov]  
Sent: Thursday, January 27, 2011 5:56 PM  
To: Frederick, Caitlin - DOA  
Subject: RE: Health Insurance Draft

Half of the tiered rates for 2011? What about in future years?

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

From: Frederick, Caitlin - DOA [mailto:caitlin.frederick@wisconsin.gov]  
Sent: Thu 1/27/2011 5:36 PM  
To: Champagne, Rick  
Subject: Health Insurance Draft

Rick,

Just realized the Graduate Assistants have different Health Insurance rates - should be half of what you have delineated in the draft for that group.

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



TODAY  
State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/8  
RAC:CMN:cjs&kjf:md  
stay  
RMR

DOA:.....Frederick, BAB0034 – Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

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with exceptions & with exceptions

Insert Analysis

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.

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 of plans offered in any tier with the lowest employee premium cost.

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

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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.

and s. 40.02(25)(b)2. ✓

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

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

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

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

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

7 40.51 (7) Any employer, other than the state, may offer to all of its employees  
8 a health care coverage plan through a program offered by the group insurance board.  
9 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule  
10 establish different eligibility standards or contribution requirements for such  
11 employees and employers and may by rule limit the categories of employers, other  
12 than the state, which may be included as participating employers under this  
13 subchapter. Beginning on January 1, 2012, an employer may not offer a health care  
14 coverage plan to its employees under this subsection if the employer pays more than  
15 88 percent of the average premium cost of plans offered in any tier with the lowest  
16 employee premium cost under this subsection.

Insert 3-16


the amount established under s. 40.52(3)

17 SECTION 9115. Nonstatutory provisions; Employee Trust Funds.

18 (1) STATE EMPLOYEE HEALTH CARE COVERAGE. Notwithstanding section 40.05 (4)  
19 (ag) of the statutes, as affected by this act, beginning with health insurance  
20 premiums paid on the first day of the first pay period after March 26, 2011, and  
21 ending on December 31, 2011, employees covered under section 40.05 (4) (ag) 2. of the  
22 statutes, as affected by this act, shall pay \$84 a month for individual coverage and  
23 \$208 a month for family coverage for health care coverage under any plan offered in  
24 the tier with the lowest employee premium cost under section 40.51 (6) of the  
25 statutes, \$122 a month for individual coverage and \$307 a month for family coverage



**Insert Analysis:**

 University of Wisconsin System graduate assistants must pay half of these amounts during this period.

**Insert 3-16:**

**SECTION 1.** 40.52 (3) of the statutes is amended to read:

40.52 (3) The group insurance board, after consulting with the board of regents of the University of Wisconsin System, shall establish the terms of a health insurance plan for graduate assistants, and for employees-in-training designated by the board of regents, who are employed on at least a one-third full-time basis and for teachers who are employed on at least a one-third full-time basis by the University of Wisconsin System with an expected duration of employment of at least 6 months but less than one year. Annually, the director of the office of state employment relations shall establish the amount that the employer is required to pay in premium costs under this subsection.

History: 1981 c. 96, 381; 1983 a. 429; 1987 a. 107; 1987 a. 327, 356; 1987 a. 403 s. 256; 1989 a. 13; 1991 a. 45; 1995 a. 216; 2001 a. 82; 2009 a. 28.

**Insert 4-13:**


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


(1) STATE EMPLOYEE HEALTH CARE COVERAGE.

(a) Notwithstanding section 40.05 (4) (ag) of the statutes, as affected by this act, beginning with health insurance premiums paid on the first day of the first pay period after March 26, 2011, and ending on December 31, 2011, all of the following shall apply:

1. 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

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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.

2. Eligible employees under section 40.02 (25) (b) 2. of the statutes shall pay 50 percent of the amounts required for employees under subdivision 1.

use a.r. [X]

3. 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 that they are required to pay on the day before the effective date of this subdivision.

(b) 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 under paragraph (a) before the first day of the first pay period after March 26, 2011, the employer shall recover all amounts that employees owe for the increased share of premium costs before July 1, 2011.

use a.r. [Q]

**SECTION 9115**

1 for health care coverage under any plan offered in the tier with the next lowest  
 2 employee premium cost under section 40.51 (6) of the statutes; and \$226 a month for  
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 17 inconsistent with this act on the day on which the agreement expires or is extended,  
 18 modified, or renewed, whichever occurs first.

(END)

Insert 4-13

13

**Champagne, Rick**

---

**From:** Frederick, Caitlin - DOA [caitlin.frederick@wisconsin.gov]  
**Sent:** Sunday, January 30, 2011 9:41 AM  
**To:** Champagne, Rick  
**Subject:** RE: Health Insurance Draft

Yes. They could be researchers.

*Caitlin Morgan Frederick*  
*Wisconsin Division of Budget & Finance*  
608-266-8777

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**From:** Champagne, Rick [mailto:Rick.Champagne@legis.wisconsin.gov]  
**Sent:** Sunday, January 30, 2011 9:13 AM  
**To:** Frederick, Caitlin - DOA  
**Subject:** RE: Health Insurance Draft

Are they different from graduate assistants? I really don't know.

---

**From:** Frederick, Caitlin - DOA [mailto:caitlin.frederick@wisconsin.gov]  
**Sent:** Sunday, January 30, 2011 9:04 AM  
**To:** Champagne, Rick  
**Subject:** RE: Health Insurance Draft

1.) Teaching Assistants also pay half of what everyone else pays.

*Caitlin Morgan Frederick*  
*Wisconsin Division of Budget & Finance*  
608-266-8777

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**From:** Champagne, Rick [mailto:Rick.Champagne@legis.wisconsin.gov]  
**Sent:** Thursday, January 27, 2011 5:57 PM  
**To:** Frederick, Caitlin - DOA  
**Subject:** RE: Health Insurance Draft

Half of the tiered rates for 2011? What about in future years?

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

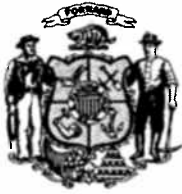
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Rick,

Just realized the Graduate Assistants have different Health Insurance rates - should be half of what you have delineated in the draft for that group.

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

1/30/2011



10  
Stays RMR

DOA:.....Frederick, BAB0034 - Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

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

STV

Not Gen

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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. For employees who work less than 1,566 hours a year, with exceptions, 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, for pay periods after March 26, 2011, 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. University of Wisconsin System graduate assistants must pay half of these amounts during this period. 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.

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 of plans offered in any tier with the lowest employee premium cost.

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

and teaching assistants

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

INS 2-1

Except as otherwise provided in a collective bargaining agreement under subd. 1 of ch. 111, the

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. and s. ~~40.02(25)(b)2~~ an  
11 amount not more than 88 percent of the average premium cost of plans offered in the  
12 tier with the lowest employee premium cost under s. 40.51 (6). Annually, the director

STET:  
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1 of the office of state employment relations shall establish the amount that the  
2 employer is required to pay under this subdivision.

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

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

5 40.05 (4) (c) The employer shall contribute toward the payment of premiums  
6 for the plan established under s. 40.52 (3) ~~not more than the percentage of premium~~  
7 ~~paid by the employer for health insurance coverage under par. (ag) 2~~ the amount  
8 established under s. 40.52 (3).

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

10 40.51 (7) Any employer, other than the state, may offer to all of its employees  
11 a health care coverage plan through a program offered by the group insurance board.  
12 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule  
13 establish different eligibility standards or contribution requirements for such  
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15 than the state, which may be included as participating employers under this  
16 subchapter. Beginning on January 1, 2012, an employer may not offer a health care  
17 coverage plan to its employees under this subsection if the employer pays more than  
18 88 percent of the average premium cost of plans offered in any tier with the lowest  
19 employee premium cost under this subsection.

20 **SECTION 5.** 40.52 (3) of the statutes is amended to read:

21 40.52 (3) The group insurance board, after consulting with the board of regents  
22 of the University of Wisconsin System, shall establish the terms of a health insurance  
23 plan for graduate assistants, <sup>for</sup> teaching assistants, and for employees-in-training designated by the board  
24 of regents, who are employed on at least a one-third full-time basis and for teachers  
25 who are employed on at least a one-third full-time basis by the University of

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 10 following shall apply:

11 1. Employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected  
 12 by this act, shall pay \$84 a month for individual coverage and \$208 a month for family  
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 17 section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567  
 18 a month for family coverage for health care coverage under any plan offered in the  
 19 tier with the highest employee premium cost under section 40.51 (6) of the statutes.

20 2. Eligible employees <sup>covered</sup> under section ~~40.02 (25) (b) 2.~~ <sup>40.51 (6)</sup> of the statutes <sup>as affected by this act,</sup> shall pay  
 21 50 percent of the amounts required for employees under subdivision 1.

22 3. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected  
 23 by this act, shall pay the same amounts that they are required to pay on the day  
 24 before the effective date of this subdivision.

STET: leave as typed



1 (b) If an employer is unable to modify payroll procedures in sufficient time to  
 2 collect employees' increased share of the premium costs for health care coverage  
 3 under paragraph (a) before the first day of the first pay period after March 26, 2011,  
 4 the employer shall recover all amounts that employees owe for the increased share  
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 9 who are covered by a collective bargaining agreement that contains provisions  
 10 inconsistent with this act on the day on which the agreement expires or is extended,  
 11 modified, or renewed, whichever occurs first.

12 (END)

*d-note*

*am*  
*d*  
*40.02 (25)(b)2.*

④ Sec. #. AM; 40.02(25)(b) 2. ✓

INS 2-1

③  
40.02(25)(b) ~~2~~

teaching assistant or

④

2. Any person employed as a graduate assistant and other employees-in-training as are designated by the board of regents of the university, who are employed on at least a one-third full-time basis.

D-Note

(F) This version assumes that Cathlene's draft  
on SELRA is in the  
on ~~SEKRA~~ is in the budget adjustment bill.

RAC

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

LRB-0639/10dn  
RAC:cjs&kjf:ph

January 31, 2011

This version assumes that Cathlene's draft on SELRA is in the budget adjustment bill.

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

**Champagne, Rick**

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**From:** Kraus, Jennifer - DOA [jennifer.kraus@wisconsin.gov]**Sent:** Sunday, January 30, 2011 4:13 PM**To:** Champagne, Rick**Cc:** Hanaman, Cathlene; Frederick, Caitlin - DOA**Subject:** RE: State Employee BAB drafts

For state employees who are covered by a collective bargaining agreement under subchapter V of chapter 111 of the statutes that expired on June 30, 2009, but which has been extended, the treatment of sections ..... (list appropriate sections) first applies on the termination of the agreement or the effective date of the act, whichever occurs last.

Assuming this makes sense to you, pls use the above for all of the provisions related to state employees, except the 3-day discharge. For now, leave that one as it is under which it would take effect immediately. I need to double-check that we can do this even with contracts still in place but I think that is the intent.

I think we should stick with the initial app you suggested for municipals.

Thanks - Jenny

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**From:** Champagne, Rick [mailto:Rick.Champagne@legis.wisconsin.gov]**Sent:** Tuesday, January 25, 2011 8:30 AM**To:** Kraus, Jennifer - DOA; Frederick, Caitlin - DOA**Cc:** Hanaman, Cathlene - LEGIS**Subject:** RE: State Employee BAB drafts

Upon further reflection, a variation for the local government employees covered by contracts:

(1) Except as provided in subsection (2), for municipal employees, as defined in section 111.70 (1) (i), 2009 stats., who are employed by a municipal employer, as defined in section 111.70 (1) (j), 2009 stats., and who are covered by a collective bargaining agreement that contains provisions inconsistent with this act, the treatment of sections .... (list affected sections) first applies on the day on which the agreement expires or is terminated, whichever occurs first.

(2) For municipal employees, as defined in section 111.70 (1) (i), as affected by this act, who are employed by a municipal employer, as defined in section 111.70 (1) (j), as affected by this act, and who are covered by a collective bargaining agreement that contains provisions inconsistent with this act, the treatment of sections .... (list affected sections) first applies on the day on which the agreement expires or is terminated, whichever occurs first.

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**From:** Champagne, Rick**Sent:** Tuesday, January 25, 2011 8:18 AM**To:** Kraus, Jennifer - DOA; Frederick, Caitlin - DOA**Cc:** Hanaman, Cathlene**Subject:** RE: State Employee BAB drafts

No this would be for all three drafts -- discharge, health insurance premiums, and WRS contributions.

1/31/2011

For locals, other than police or firefighters, which I believe retain collective bargaining rights under Cathlene's draft amending MERA, language would be the usual, with a twist:

For municipal employees, who are employed by a municipal employer, as defined in section 111.70 (1) (j), 2009 stats., , and who are covered by a collective bargaining agreement that contains provisions inconsistent with this act, the treatment of sections .... (list affected sections) first applies on the day on which the agreement expires or is terminated, whichever occurs first.

For municipal employees, who are employed by a municipal employer, as defined in section 111.70 (1) (j), as affected by this act, and who are covered by a collective bargaining agreement that contains provisions inconsistent with this act, the treatment of sections .... (list affected sections) first applies on the day on which the agreement expires or is terminated, whichever occurs first.

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**From:** Kraus, Jennifer - DOA [mailto:jennifer.kraus@wisconsin.gov]  
**Sent:** Tuesday, January 25, 2011 8:07 AM  
**To:** Champagne, Rick; Frederick, Caitlin - DOA  
**Cc:** Hanaman, Cathlene  
**Subject:** RE: State Employee BAB drafts

are you thinking for the discharge draft? what would be the parallel language for the other drafts where the issue is non-state employees?

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**From:** Champagne, Rick [mailto:Rick.Champagne@legis.wisconsin.gov]  
**Sent:** Tuesday, January 25, 2011 8:04 AM  
**To:** Kraus, Jennifer - DOA; Frederick, Caitlin - DOA  
**Cc:** Hanaman, Cathlene - LEGIS  
**Subject:** RE: State Employee BAB drafts

What about this for an Initial Applicability provision for state employees covered by extended contracts:

For state employees who are covered by a collective bargaining agreement under subchapter V of chapter 111 of the statutes that expired on June 30, 2009, but which has been extended to June 30, 2011, unless terminated earlier, the treatment of sections ..... (list appropriate sections) first applies on the expiration or termination of the agreement, whichever occurs first.

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**From:** Kraus, Jennifer - DOA [mailto:jennifer.kraus@wisconsin.gov]  
**Sent:** Tuesday, January 25, 2011 7:54 AM  
**To:** Champagne, Rick; Frederick, Caitlin - DOA  
**Cc:** Hanaman, Cathlene  
**Subject:** RE: State Employee BAB drafts

I think the distinction on the first point is that the discharge draft only applies to state employees where all contracts are only extended whereas with the other two we need to put in some language about the existing contracts. I will discuss with DOA Legal and OSER today and see if there is some other wording that accomplishes that intent that doesn't raise their concerns.

On the second point, I discussed this a bit with Dave last night and we concluded that we should just transfer the existing employees of the Board to the Authority in order to minimize disruption. I have a 9:00 meeting this morning where I will confirm this direction and will let you know.

Thanks - Jenny

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**From:** Champagne, Rick [<mailto:Rick.Champagne@legis.wisconsin.gov>]  
**Sent:** Tuesday, January 25, 2011 7:28 AM  
**To:** Frederick, Caitlin - DOA; Kraus, Jennifer - DOA  
**Cc:** Hanaman, Cathlene - LEGIS  
**Subject:** State Employee BAB drafts

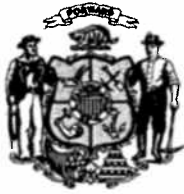
Good Morning Caitlin and Jenny:

I thought I would touch base on how you want to handle the initial applicability provisions of the various drafts. We seem to have different treatments in different drafts and I thought we might want to try to harmonize them now when we have a little time. I think we are agreed that the BAB will contain Cathlene's provisions repealing SELRA. Hence, the question becomes, what do we need in terms of preserving collective bargaining rights under any extended agreements covering state employees? LRB-1151/2 (the discharge draft) applies right way, regardless of extended collective bargaining agreements. LRB-639/7 (the health insurance draft) has a collective bargaining initial applicability provision, and LRB-0757/5 (the WRS contribution draft) also has a collective bargaining initial applicability section.

Should all of these drafts be the same? Or is there a distinction that you are making between the discharge draft and the other two?

Also, one other issue with respect to the University of Wisconsin Hospitals and Clinics Board draft, LRB-0732/1. We are simply eliminating the UWVCB without providing any mechanism for transferring employees to the Authority or requiring the Authority to offer them employment, etc. You should be aware that what will happen then is that these employees are subject to layoff. Their collective bargaining agreements contain a host of provisions regarding notice and rights affecting state employees subject to layoff. You may wish to have DOA attorneys and OSER folks look at the contracts to make sure that they are clear on what kinds of notice must be provided to employees. Everything might not be able to happen on the bill's effective date.

Rick



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/10 11  
RAC:cjs&kjf:ph

Stays RMR

DOA:.....Frederick, BAB0034 – 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, as well as employees of public authorities created by the state, receive health care coverage under plans offered by the Group Insurance Board (GIB), 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. For employees who work less than 1,566 hours a year, with exceptions, 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, for pay periods after March 26, 2011, 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. University of Wisconsin System graduate assistants and teaching assistants must pay half of these amounts during this period. 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.

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 of plans offered in any tier with the lowest employee premium cost.

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

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

1           **SECTION 1.** 40.02 (25) (b) 2. of the statutes is amended to read:

2           40.02 (25) (b) 2. Any person employed as a teaching assistant or graduate  
3 assistant and other employees-in-training as are designated by the board of regents  
4 of the university, who are employed on at least a one-third full-time basis.

5           **SECTION 2.** 40.05 (4) (ag) of the statutes is repealed and recreated to read:

6           40.05 (4) (ag) Except as otherwise provided in a collective bargaining  
7 agreement under subch. V of ch. 111, the employer shall pay for its currently  
8 employed insured employees:

9           1. For insured part-time employees other than employees specified in s. 40.02  
10 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
11 appointed to work less than 1,566 hours per year, an amount not more than 50  
12 percent of the employer contribution under subd. 2. Annually, the director of the

1 office of state employment relations shall establish the amount that the employer is  
2 required to pay under this subdivision.

3 2. For eligible employees not specified in subd. 1. and s. 40.02 (25) (b) 2., an  
4 amount not more than 88 percent of the average premium cost of plans offered in the  
5 tier with the lowest employee premium cost under s. 40.51 (6). Annually, the director  
6 of the office of state employment relations shall establish the amount that the  
7 employer is required to pay under this subdivision.

8 **SECTION 3.** 40.05 (4) (ar) of the statutes is repealed.

9 **SECTION 4.** 40.05 (4) (c) of the statutes is amended to read:

10 40.05 (4) (c) The employer shall contribute toward the payment of premiums  
11 for the plan established under s. 40.52 (3) ~~not more than the percentage of premium~~  
12 ~~paid by the employer for health insurance coverage under par. (ag) 2~~ the amount  
13 established under s. 40.52 (3).

14 **SECTION 5.** 40.51 (7) of the statutes is amended to read:

15 40.51 (7) Any employer, other than the state, may offer to all of its employees  
16 a health care coverage plan through a program offered by the group insurance board.  
17 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule  
18 establish different eligibility standards or contribution requirements for such  
19 employees and employers and may by rule limit the categories of employers, other  
20 than the state, which may be included as participating employers under this  
21 subchapter. Beginning on January 1, 2012, an employer may not offer a health care  
22 coverage plan to its employees under this subsection if the employer pays more than  
23 88 percent of the average premium cost of plans offered in any tier with the lowest  
24 employee premium cost under this subsection.

25 **SECTION 6.** 40.52 (3) of the statutes is amended to read:

1           40.52 (3) The group insurance board, after consulting with the board of regents  
2 of the University of Wisconsin System, shall establish the terms of a health insurance  
3 plan for graduate assistants, for teaching assistants, and for employees-in-training  
4 designated by the board of regents, who are employed on at least a one-third  
5 full-time basis and for teachers who are employed on at least a one-third full-time  
6 basis by the University of Wisconsin System with an expected duration of  
7 employment of at least 6 months but less than one year. Annually, the director of the  
8 office of state employment relations shall establish the amount that the employer is  
9 required to pay in premium costs under this subsection.

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

11           (1) STATE EMPLOYEE HEALTH CARE COVERAGE.

12           (a) Notwithstanding section 40.05 (4) (ag) and (c) of the statutes, as affected by  
13 this act, beginning with health insurance premiums paid on the first day of the first  
14 pay period after March 26, 2011, and ending on December 31, 2011, all of the  
15 following shall apply:

16           1. Employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected  
17 by this act, shall pay \$84 a month for individual coverage and \$208 a month for family  
18 coverage for health care coverage under any plan offered in the tier with the lowest  
19 employee premium cost under section 40.51 (6) of the statutes; \$122 a month for  
20 individual coverage and \$307 a month for family coverage for health care coverage  
21 under any plan offered in the tier with the next lowest employee premium cost under  
22 section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567  
23 a month for family coverage for health care coverage under any plan offered in the  
24 tier with the highest employee premium cost under section 40.51 (6) of the statutes.

1           2. Eligible employees covered under section 40.02 (25) (b) 2. of the statutes, as  
2 affected by this act, shall pay 50 percent of the amounts required for employees under  
3 subdivision 1.

4           3. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected  
5 by this act, shall pay the same amounts that they are required to pay on the day  
6 before the effective date of this subdivision.

7           (b) If an employer is unable to modify payroll procedures in sufficient time to  
8 collect employees' increased share of the premium costs for health care coverage  
9 under paragraph (a) before the first day of the first pay period after March 26, 2011,  
10 the employer shall recover all amounts that employees owe for the increased share  
11 of premium costs before July 1, 2011.

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

13           (1) HEALTH CARE COVERAGE PREMIUMS. The treatment of sections 40.02 (25) (b)  
14 2. and 40.05 (4) (ag), (ar), and (c) of the statutes and SECTION 9115 (1) of this act first  
15 apply to employees who are covered by a collective bargaining agreement that  
16 ~~contains provisions inconsistent with this act~~ on the day on which the agreement  
17 ~~expires or is extended, modified, or renewed~~, whichever occurs ~~first~~ <sup>later</sup>.

18           (END)

*is terminated or on the effective date of this subsection*

*which expired on June 30, 2009, but which has been extended;*



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/11  
RAC:cjs&kjf.md

slays RMR

DOA:.....Frederick, BAB0034 - Payment of Health Insurance Premiums for  
State Employees; Collective Bargaining and health insurance

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

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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 (GIB), 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. For employees who work less than 1,566 hours a year, with exceptions, 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, for pay periods after March 26, 2011, 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. University of Wisconsin System graduate assistants and teaching assistants must pay half of these amounts during this period. 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.

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 of plans offered in any tier with the lowest employee premium cost.

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.** 40.02 (25) (b) 2. of the statutes is amended to read:

2           40.02 (25) (b) 2. Any person employed as a teaching assistant or graduate  
3 assistant and other employees-in-training as are designated by the board of regents  
4 of the university, who are employed on at least a one-third full-time basis.

5           **SECTION 2.** 40.05 (4) (ag) of the statutes is repealed and recreated to read:

6           40.05 (4) (ag) Except as otherwise provided in a collective bargaining  
7 agreement under subch. V of ch. 111, the employer shall pay for its currently  
8 employed insured employees:

9           1. For insured part-time employees other than employees specified in s. 40.02  
10 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
11 appointed to work less than 1,566 hours per year, an amount not more than 50  
12 percent of the employer contribution under subd. 2. Annually, the director of the

except as otherwise provided in a collective bargaining agreement under subch. IV of ch. 111,

1 office of state employment relations shall establish the amount that the employer is  
2 required to pay under this subdivision.

3 2. For eligible employees not specified in subd. 1. and s. 40.02 (25) (b) 2., an  
4 amount not more than 88 percent of the average premium cost of plans offered in the  
5 tier with the lowest employee premium cost under s. 40.51 (6). Annually, the director  
6 of the office of state employment relations shall establish the amount that the  
7 employer is required to pay under this subdivision.

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10 40.05 (4) (c) The employer shall contribute toward the payment of premiums  
11 for the plan established under s. 40.52 (3) ~~not more than the percentage of premium~~  
12 ~~paid by the employer for health insurance coverage under par. (ag) 2~~ the amount  
13 established under s. 40.52 (3).

14 SECTION 5. 40.51 (7) of the statutes is amended to read:

15 40.51 (7) Any employer, other than the state, may offer to all of its employees  
16 a health care coverage plan through a program offered by the group insurance board.  
17 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule  
18 establish different eligibility standards or contribution requirements for such  
19 employees and employers and may by rule limit the categories of employers, other  
20 than the state, which may be included as participating employers under this  
21 subchapter. Beginning on January 1, 2012, an employer may not offer a health care  
22 coverage plan to its employees under this subsection if the employer pays more than  
23 88 percent of the average premium cost of plans offered in any tier with the lowest  
24 employee premium cost under this subsection.

25 SECTION 6. 40.52 (3) of the statutes is amended to read:

1           40.52 (3) The group insurance board, after consulting with the board of regents  
2 of the University of Wisconsin System, shall establish the terms of a health insurance  
3 plan for graduate assistants, for teaching assistants, and for employees-in-training  
4 designated by the board of regents, who are employed on at least a one-third  
5 full-time basis and for teachers who are employed on at least a one-third full-time  
6 basis by the University of Wisconsin System with an expected duration of  
7 employment of at least 6 months but less than one year. Annually, the director of the  
8 office of state employment relations shall establish the amount that the employer is  
9 required to pay in premium costs under this subsection.

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

11           (1) STATE EMPLOYEE HEALTH CARE COVERAGE.

12           (a) Notwithstanding section 40.05 (4) (ag) and (c) of the statutes, as affected by  
13 this act, beginning with health insurance premiums paid on the first day of the first  
14 pay period after March 26, 2011, and ending on December 31, 2011, all of the  
15 following shall apply:

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17 by this act, shall pay \$84 a month for individual coverage and \$208 a month for family  
18 coverage for health care coverage under any plan offered in the tier with the lowest  
19 employee premium cost under section 40.51 (6) of the statutes; \$122 a month for  
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22 section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567  
23 a month for family coverage for health care coverage under any plan offered in the  
24 tier with the highest employee premium cost under section 40.51 (6) of the statutes.





## Champagne, Rick

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**From:** Kraus, Jennifer - DOA [jennifer.kraus@wisconsin.gov]

**Sent:** Friday, February 04, 2011 8:43 AM

**To:** Champagne, Rick

**Cc:** Hanaman, Cathlene; Frederick, Caitlin - DOA

**Subject:** RE: Collective Bargaining Agreements

we are fine with this. Thanks - Jenny

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**From:** Champagne, Rick [mailto:Rick.Champagne@legis.wisconsin.gov]

**Sent:** Friday, February 04, 2011 7:08 AM

**To:** Kraus, Jennifer - DOA; Frederick, Caitlin - DOA

**Cc:** Hanaman, Cathlene - LEGIS

**Subject:** Collective Bargaining Agreements

Jenny/Caitlin:

Getting back to or favorite subject -- Initial Applicability provisions for represented employees -- I would like to suggest the following language for the WRS contribution draft (11-0757) and the health insurance draft (11-0639). This language is based on the assumption that both SELRA and MERA will continue, albeit with the reduced areas of bargaining for almost all employees:

The treatment of ....[insert statutory sections] first apply 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 **terminated**, extended, modified, or renewed, whichever occurs first.

This is our usual boilerplate, modified to include the word "terminated" which appears in bold. I believe that this captures every scenario at both the state and local level: expired but extended contracts, expired contracts, and current contracts. I fear that in our efforts to try to nail down unusual events (like the current contracts under SELRA), we may be inadvertently creating confusion. The Initial Applicability provision I've presented above, as modified, is not that much different from the boilerplate language that appears in scores of bills every session (and has for 30 years) and will address the contingency of expired but extended contracts.

Can I go with this?

Rick



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/12  
RAC:cjs&kjf:md

13

*Now*

*Stays RMR*

DOA:.....Frederick, BAB0034 - Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

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

*do NOT gen*

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10 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
11 appointed to work less than 1,566 hours per year, an amount not more than 50  
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1 office of state employment relations shall establish the amount that the employer is  
2 required to pay under this subdivision.

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4 amount not more than 88 percent of the average premium cost of plans offered in the  
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18 establish different eligibility standards or contribution requirements for such  
19 employees and employers and may by rule limit the categories of employers, other  
20 than the state, which may be included as participating employers under this  
21 subchapter. Beginning on January 1, 2012, except as otherwise provided in a  
22 collective bargaining agreement under subch. IV of ch. 111, an employer may not  
23 offer a health care coverage plan to its employees under this subsection if the  
24 employer pays more than 88 percent of the average premium cost of plans offered in  
25 any tier with the lowest employee premium cost under this subsection.

1           **SECTION 6.** 40.52 (3) of the statutes is amended to read:

2           40.52 (3) The group insurance board, after consulting with the board of regents  
3 of the University of Wisconsin System, shall establish the terms of a health insurance  
4 plan for graduate assistants, for teaching assistants, and for employees-in-training  
5 designated by the board of regents, who are employed on at least a one-third  
6 full-time basis and for teachers who are employed on at least a one-third full-time  
7 basis by the University of Wisconsin System with an expected duration of  
8 employment of at least 6 months but less than one year. Annually, the director of the  
9 office of state employment relations shall establish the amount that the employer is  
10 required to pay in premium costs under this subsection.

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

12           (1) STATE EMPLOYEE HEALTH CARE COVERAGE.

create  
a.r. [A]

13           (a) Notwithstanding section 40.05 (4) (ag) and (c) of the statutes, as affected by  
14 this act, beginning with health insurance premiums paid on the first day of the first  
15 pay period after March 26, 2011, and ending on December 31, 2011, all of the  
16 following shall apply:

17           1. Employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected  
18 by this act, shall pay \$84 a month for individual coverage and \$208 a month for family  
19 coverage for health care coverage under any plan offered in the tier with the lowest  
20 employee premium cost under section 40.51 (6) of the statutes; \$122 a month for  
21 individual coverage and \$307 a month for family coverage for health care coverage  
22 under any plan offered in the tier with the next lowest employee premium cost under  
23 section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567  
24 a month for family coverage for health care coverage under any plan offered in the  
25 tier with the highest employee premium cost under section 40.51 (6) of the statutes.

1           2. Eligible employees covered under section 40.02 (25) (b) 2. of the statutes, as  
2 affected by this act, shall pay 50 percent of the amounts required for employees under  
3 subdivision 1.

4           3. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected  
5 by this act, shall pay the same amounts that they are required to pay on the day  
6 before the effective date of this subdivision.

7           (b) If an employer is unable to modify payroll procedures in sufficient time to  
8 collect employees' increased share of the premium costs for health care coverage  
9 under paragraph (a) before the first day of the first pay period after March 26, 2011,  
10 the employer shall recover all amounts that employees owe for the increased share  
11 of premium costs before July 1, 2011.

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

13           (1) HEALTH CARE COVERAGE PREMIUMS. The treatment of sections 40.02 (25) (b)  
14 2. and 40.05 (4) (ag), (ar), and (c) of the statutes and SECTION 9115 (1) of this act first  
15 apply to employees who are covered by a collective bargaining agreement that  
16 expired on June 30, 2009, but which has been extended, on the day on which the  
17 agreement is terminated or on the effective date of this subsection, whichever occurs  
18 later.

19

(END)

*Insert  
S-19*

**Insert 5-19:**

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

(1) HEALTH CARE COVERAGE PREMIUMS. The treatment of sections 40.02 (25) (b) 2., 40.05 (4) (ag), (ar), and (c), 40.51 (7), and 40.52 (3) of the statutes and SECTION 9115 (1) of this act first apply 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 terminated, extended, modified, or renewed, whichever occurs first.

use a.r. A from p. 4

those sections





State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/13 14  
RAC:cjs&kjf:jf

stats RMR

DOA:.....Frederick, BAB0034 - 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.

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*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 (GIB), 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. For employees who work less than 1,566 hours a year, with exceptions, 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, for pay periods after March 31, 2011, 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

13

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. University of Wisconsin System graduate assistants and teaching assistants must pay half of these amounts during this period. 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.

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 of plans offered in any tier with the lowest employee premium cost.

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

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

1           SECTION 1. 40.02 (25) (b) 2. of the statutes is amended to read:

2           40.02 (25) (b) 2. Any person employed as a teaching assistant or graduate  
3 assistant and other employees-in-training as are designated by the board of regents  
4 of the university, who are employed on at least a one-third full-time basis.

5           SECTION 2. 40.05 (4) (ag) of the statutes is repealed and recreated to read:

6           40.05 (4) (ag) Except as otherwise provided in a collective bargaining  
7 agreement under subch. V of ch. 111, the employer shall pay for its currently  
8 employed insured employees:

9           1. For insured part-time employees other than employees specified in s. 40.02  
10 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are  
11 appointed to work less than 1,566 hours per year, an amount not more than 50  
12 percent of the employer contribution under subd. 2. Annually, the director of the

1 office of state employment relations shall establish the amount that the employer is  
2 required to pay under this subdivision.

3 2. For eligible employees not specified in subd. 1. and s. 40.02 (25) (b) 2., an  
4 amount not more than 88 percent of the average premium cost of plans offered in the  
5 tier with the lowest employee premium cost under s. 40.51 (6). Annually, the director  
6 of the office of state employment relations shall establish the amount that the  
7 employer is required to pay under this subdivision.

8 **SECTION 3.** 40.05 (4) (ar) of the statutes is repealed.

9 **SECTION 4.** 40.05 (4) (c) of the statutes is amended to read:

10 40.05 (4) (c) The employer shall contribute toward the payment of premiums  
11 for the plan established under s. 40.52 (3) ~~not more than the percentage of premium~~  
12 ~~paid by the employer for health insurance coverage under par. (ag) 2~~ the amount  
13 established under s. 40.52 (3).

14 **SECTION 5.** 40.51 (7) of the statutes is amended to read:

15 40.51 (7) Any employer, other than the state, may offer to all of its employees  
16 a health care coverage plan through a program offered by the group insurance board.  
17 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule  
18 establish different eligibility standards or contribution requirements for such  
19 employees and employers and may by rule limit the categories of employers, other  
20 than the state, which may be included as participating employers under this  
21 subchapter. Beginning on January 1, 2012, except as otherwise provided in a  
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11           **SECTION 9115. Nonstatutory provisions; Employee Trust Funds.**

12           (1) STATE EMPLOYEE HEALTH CARE COVERAGE.

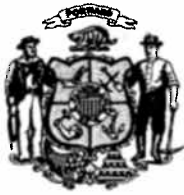
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15 pay period after March ~~26~~<sup>13</sup>, 2011, and ending on December 31, 2011, all of the  
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Per Cautler:

Have OSER Directives  
set part-time PREMIUM  
amounts; take out 50%  
cap.



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0639/14  
RAC:cjs&kjf:rs

15

stays RMR

Now

DOA:.....Frederick, BAB0034 - Payment of Health Insurance Premiums for State Employees; Collective Bargaining and health insurance

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

do NOT go

determined by the director of the office of State Employment Relations (OSER)

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 (GIB), 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.

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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:***

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8           employed insured employees:

9           1. For insured part-time employees other than employees specified in s. 40.02  
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11          appointed to work less than 1,566 hours per year, an amount ~~not more than 50~~

12          ~~percent of the employer contribution under subd. 2) annually~~ the director of the  
determined annually by      ~~determined by~~



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20 employee premium cost under section 40.51 (6) of the statutes; \$122 a month for  
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