



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0639/15
RAC:cjs&kjfrs

16
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 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, with exceptions, the employer must pay an amount determined by the director of the Office of State Employment Relations (OSER). Under the bill, the actual employer and employee share of premium costs is established on an annual basis by the director of OSER.

beginning IN April

For the remainder of 2011, however, ~~for pay periods after March 18,~~ 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 determined annually
12 by the director of the office of state employment relations.

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

6 **SECTION 3.** 40.05 (4) (ar) of the statutes is repealed.

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

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

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

13 40.51 (7) Any employer, other than the state, may offer to all of its employees
14 a health care coverage plan through a program offered by the group insurance board.
15 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule
16 establish different eligibility standards or contribution requirements for such
17 employees and employers and may by rule limit the categories of employers, other
18 than the state, which may be included as participating employers under this
19 subchapter. Beginning on January 1, 2012, except as otherwise provided in a
20 collective bargaining agreement under subch. IV of ch. 111, an employer may not
21 offer a health care coverage plan to its employees under this subsection if the
22 employer pays more than 88 percent of the average premium cost of plans offered in
23 any tier with the lowest employee premium cost under this subsection.

24 **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 ~~at the first day of the first~~^e
 14 ~~pay period after March 31,~~^e ~~2011,~~^{in April} and ending ~~on December 31, 2011,~~^{in December 31, 2011} all of the
 15 following shall apply: with coverage for the ~~month of~~
December 2011

- 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 13, 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., 40.05 (4) (ag), (ar), and (c), 40.51 (7), and 40.52 (3) of the statutes and SECTION 9115
15 (1) of this act first apply to employees who are covered by a collective bargaining
16 agreement that contains provisions inconsistent with those sections on the day on
17 which the agreement expires or is terminated, extended, modified, or renewed,
18 whichever occurs first.

19 (END)

and craft employees, as defined in
section 111.81(4)
section 111.8(4) of the statutes; and
related nonrepresented employees
related nonrepresented employees



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

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15 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule
16 establish different eligibility standards or contribution requirements for such
17 employees and employers and may by rule limit the categories of employers, other
18 than the state, which may be included as participating employers under this
19 subchapter. Beginning on January 1, 2012, except as otherwise provided in a
20 collective bargaining agreement under subch. IV of ch. 111, an employer may not
21 offer a health care coverage plan to its employees under this subsection if the
22 employer pays more than 88 percent of the average premium cost of plans offered in
23 any tier with the lowest employee premium cost under this subsection.

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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
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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 in April 2011, and ending
14 with coverage for December 2011, all of the following shall apply:

15 1. Employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected
16 by this act, shall pay \$84 a month for individual coverage and \$208 a month for family
17 coverage for health care coverage under any plan offered in the tier with the lowest
18 employee premium cost under section 40.51 (6) of the statutes; \$122 a month for
19 individual coverage and \$307 a month for family coverage for health care coverage
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21 section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567
22 a month for family coverage for health care coverage under any plan offered in the
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1 2. Eligible employees covered under section 40.02 (25) (b) 2. of the statutes, as
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3 subdivision 1.

4 3. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected
5 by this act, and craft employees, as defined in section 111.81 (4) of the statutes, and
6 related nonrepresented employees shall pay the same amounts that they are
7 required to pay on the day before the effective date of this subdivision.

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

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15 (1) of this act first apply to employees who are covered by a collective bargaining
16 agreement that contains provisions inconsistent with those sections on the day on
17 which the agreement expires or is terminated, extended, modified, or renewed,
18 whichever occurs first.

19

(END)