

**2011 DRAFTING REQUEST**

**Bill**

Received: **12/20/2010**

Received By: **rchampag**

Wanted: **Soon**

Companion to LRB:

For: **Administration-Budget**

By/Representing: **Frederick**

May Contact:

Drafter: **rchampag**

Subject: **Employ Pub - employee benefits**  
**Employ Pub - miscellaneous**  
**Employ Pub - retirement**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

---

**Pre Topic:**

DOA:.....Frederick, BAB0033 -

---

**Topic:**

Study of WRS structure and health insurance options

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**Instructions:**

See attached.

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	rchampag 12/21/2010	kfollett 12/22/2010	mduchek 01/03/2011	_____	mbarman 01/03/2011		State
/2	rchampag 01/03/2011	kfollett 01/04/2011	jfrantze 01/04/2011	_____	mbarman 01/04/2011		State
/3	rchampag 01/18/2011	jdyer 01/19/2011	rschluet 01/19/2011	_____	sbasford 01/19/2011		State

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/4	rchampag 02/06/2011	kfollett 02/06/2011	rschluet 02/07/2011	_____	sbasford 02/07/2011		State
/5	rchampag 02/07/2011	kfollett 02/07/2011	jfrantze 02/07/2011	_____	lparisi 02/07/2011		

FE Sent For:

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/3	rchampag 01/18/2011	jdyer 01/19/2011	rschluet 01/19/2011	_____	sbasford 01/19/2011		State

1516f  
2/7  
Jo 2/7

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14/16  
2/16

2/11

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### Topic:

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### Instructions:

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12/16/11  
1/4/11



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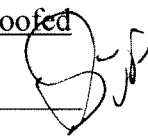
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/?	rchampag	1/1/gf 12/22	M 12/22				

FE Sent For:

<END>

**Champagne, Rick**

**From:** Hanaman, Cathlene  
**Sent:** Monday, December 20, 2010 1:56 PM  
**To:** Champagne, Rick  
**Subject:** FW: Statutory Language Drafting Request

**From:** DOADLBBASADMININTERNETSHAREPOINT@WI.GOV  
 [mailto:DOADLBBASADMININTERNETSHAREPOINT@WI.GOV]  
**Sent:** Monday, December 20, 2010 1:28 PM  
**To:** Hanaman, Cathlene  
**Cc:** Shayna.Hetzel@wisconsin.gov; Thornton, Scott - DOA  
**Subject:** Statutory Language Drafting Request

Topic: ETF Study of Health Insurance and WRS

Tracking Code: BB0161

SBO Team: GGED

SBO Analyst: Frederick, Caitlin - DOA  
 Phone: (608) 266-8777  
 E-mail: Caitlin.Frederick@Wisconsin.gov

Agency Acronym: ETF

Agency Number: 515

Priority: Low

Intent:

- Non-Stat language?
- Require the Group Insurance Board and the Retirement Board to study plan design changes to Health Insurance and WRS to include the following:
  - Health - option of offering a Consumer Driven Health Plan high deductible Health Savings Account
  - WRS - option of modifying the plan design to include:
    - Migrating new employees to a 401k plan
    - Modifying formula benefits for protective and elected/executive groups
    - Modifying vesting period to 1, 5, or 10 years
    - Permitting employees to opt out of employee contribution amount towards WRS and limit their annuity benefit to money purchase
- ~~Direct the Boards to request necessary funds to undertake actuarial studies to the Joint Committee on Finance.~~

CR  
 GPR SUM  
 sufficient to  
 fund cost of  
 studies

12/20/2010

- Report on recommendations and study findings to the Department of Administration Secretary no later than June 30, 2013 for implementation January 1, 2014.
- Requires the Department of Administration Secretary to determine the form and content of the required report.

Attachments: False



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0764/1

RAC:...

*kf*

DOA:.....Frederick, BB0161 - Study of WRS structure and health insurance options

**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**

This bill requires the Group Insurance Board (GIB), with the assistance of DETF, to study the feasibility of offering to employees eligible who receive health care coverage under GIB plans, beginning on January 1, 2014, the option of receiving health care coverage through a high-deductible health plan and the establishment of a health savings account, as described under federal law.

Federal law authorizes the establishment of health savings accounts, under which individuals may establish health savings accounts into which they and their employers can make federal tax-exempt contributions that can be used for the payment of certain qualified medical expenses. Annual contribution limits are established under federal law and are based on the individual's status, eligibility, and health plan coverage. As a condition of establishing a health savings account, an individual must be covered under a high-deductible health plan. The specific requirements of high-deductible health plans are provided in federal law, but generally require the payment of a certain minimum deductible and the expenditure of certain out-of-pocket expenses before an individual's medical services are covered under the plan (X)

No later than June 30, 2013, GIB must report its findings and recommendations to the secretary of administration.

In addition, the bill requires the Employee Trust Funds Board, with the assistance of DETF, to study the structure of the Wisconsin Retirement System (WRS) and benefits provided under the WRS. The study must specifically address establishing a defined contribution plan as the sole retirement option for WRS participating employees who begin employment on or after January 1, 2014; establishing a vesting period of one, five, or ten years for employer contributions and eligibility for retirement benefits under the WRS; modifying benefits for elected officials, executive participating employees, and protective occupation participants under the WRS; and permitting participating employees to not make employee required contributions under the WRS and limiting retirement benefits for these employees to a money purchase annuity, which is an annuity purchased from contributions made by or for the employee under the WRS.

X

Under the bill, no later than June 30, 2013, the Employee trust Funds Board must report its findings and recommendations to the secretary of administration.

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

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

1           SECTION 1. 20.515 (1) (d) of the statutes is created to read:

2           20.515 (1) (d) *Health insurance and retirement studies*. A sum sufficient to fund  
3 the cost of studies, including any actuarial studies and costs incurred by the  
4 department of employee trust funds, conducted under 2011 Wisconsin Act (this  
5 act), section 9115 (1) and (2).

⊙

← <sup>ref.</sup> (a)  
← <sup>ref.</sup> (b)

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

7           (1) HEALTH SAVINGS ACCOUNTS. The group insurance board, with the assistance  
8 of the department of employee trust funds, shall study the feasibility of offering to  
9 employees eligible who receive health care coverage under subchapter IV of chapter  
10 40 of the statutes, beginning on January 1, 2014, the option of receiving health care  
11 coverage through a high-deductible health plan and the establishment of a health  
12 savings account, as described in 26 USC 223. No later than June 30, 2013, the group

create  
7 auto  
ref (a)

1 insurance board shall report its findings and recommendations to the secretary of  
2 administration.

3 (2) MODIFICATIONS TO WISCONSIN RETIREMENT SYSTEM.

4 (a) The employee trust funds board, with the assistance of the department of  
5 employee trust funds, shall study the structure of the Wisconsin retirement system  
6 and benefits provided under the Wisconsin retirement system. The study shall  
7 specifically address the following issues:

8 1. Establishing a defined contribution plan as the sole retirement option for  
9 participating employees, as defined in section 40.02 (46) of the statutes, who begin  
10 employment on or after January 1, 2014.

11 2. Establishing a vesting period of one, five, or ten years for employer  
12 contributions under section 40.05 (2) of the statutes and for eligibility for retirement  
13 benefits.

14 3. Modifying benefits for elected officials and executive participating  
15 employees, described in section 40.23 (2m) (e) 2. of the statutes, and protective  
16 occupation participants, described in section 40.23 (2m) (e) 3. and 4. of the statutes.

17 4. Permitting employees to not make employee required contributions under  
18 section 40.05 (1) (a) of the statutes and limiting retirement benefits for employees  
19 who do not make employee required contributions to a money purchase annuity  
20 calculated under section 40.23 (3) of the statutes.

21 (b) No later than June 30, 2013, the employee trust funds board shall report  
22 its findings and recommendations to the secretary of administration.

23 (END)

**Champagne, Rick**

---

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

**Sent:** Monday, January 03, 2011 1:23 PM

**To:** Champagne, Rick

**Subject:** BB061 Changes (LRB 0764/1)

- Add Health Insurance study option of low cost plan [not sure what that means exactly]
- Put restrictions on the sum sufficient (non-stat language?) to require DOA approval before release of funds
- Change study date to June 30, 2012

*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*



RMR

DOA:.....Frederick, BB0161 - Study of WRS structure and health insurance options

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

Don't Gen

Insert Analysis

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

*Analysis by the Legislative Reference Bureau*

**RETIREMENT AND GROUP INSURANCE**

This bill requires the Group Insurance Board (GIB), with the assistance of DETF, to study the feasibility of offering to employees eligible who receive health care coverage under GIB plans, beginning on January 1, 2014, the option of receiving health care coverage through a high-deductible health plan and the establishment of a health savings account, as described under federal law.

Federal law authorizes the establishment of health savings accounts, under which individuals may establish health savings accounts into which they and their employers can make federal tax-exempt contributions that can be used for the payment of certain qualified medical expenses. Annual contribution limits are established under federal law and are based on the individual's status, eligibility, and health plan coverage. As a condition of establishing a health savings account, an individual must be covered under a high-deductible health plan. The specific requirements of high-deductible health plans are provided in federal law, but generally require the payment of a certain minimum deductible and the expenditure of certain out-of-pocket expenses before an individual's medical services are covered under the plan.

No later than June 30, ~~2013~~ <sup>2012</sup>, GIB must report its findings and recommendations to the secretary of administration.



In addition, the bill requires the Employee Trust Funds Board, with the assistance of DETF, to study the structure of the Wisconsin Retirement System (WRS) and benefits provided under the WRS. The study must specifically address establishing a defined contribution plan as the sole retirement option for WRS participating employees who begin employment on or after January 1, 2014; establishing a vesting period of one, five, or ten years for employer contributions and eligibility for retirement benefits under the WRS; modifying benefits for elected officials, executive participating employees, and protective occupation participants under the WRS; and permitting participating employees to not make employee required contributions under the WRS and limiting retirement benefits for these employees to a money purchase annuity, which is an annuity purchased from contributions made by or for the employee under the WRS. **2012**

Under the bill, no later than June 30, ~~2013~~, the Employee Trust Funds Board must report its findings and recommendations to the secretary of administration.

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

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

SECTION 1. 20.515 (1) (d) of the statutes is created to read:

20.515 (1) (d) *Health insurance and retirement studies.* A sum sufficient to fund the cost of studies, including any actuarial studies and costs incurred by the department of employee trust funds, conducted under 2011 Wisconsin Act .... (this act), section 9115 (1) and (2).

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

(1) ~~HEALTH SAVINGS ACCOUNTS~~ **INSURANCE OPTIONS** CS. The group insurance board, with the assistance of the department of employee trust funds, shall study the feasibility of offering to employees eligible who receive health care coverage under subchapter IV of chapter 40 of the statutes, beginning on January 1, 2014, the option of receiving health care coverage through a high-deductible health plan and the establishment of a health savings account, as described in 26 USC 223. No later than June 30, ~~2013~~, the group

Insert 2-5

Insert 2-11

**2012**

1 insurance board shall report its findings and recommendations to the secretary of  
2 administration.

3 (2) MODIFICATIONS TO WISCONSIN RETIREMENT SYSTEM.

4 (a) The employee trust funds board, with the assistance of the department of  
5 employee trust funds, shall study the structure of the Wisconsin Retirement System  
6 and benefits provided under the Wisconsin Retirement System. The study shall  
7 specifically address the following issues:

8 1. Establishing a defined contribution plan as the sole retirement option for  
9 participating employees, as defined in section 40.02 (46) of the statutes, who begin  
10 employment on or after January 1, 2014.

11 2. Establishing a vesting period of 1, 5, or 10 years for employer contributions  
12 under section 40.05 (2) of the statutes and for eligibility for retirement benefits.

13 3. Modifying benefits for elected officials and executive participating  
14 employees, described in section 40.23 (2m) (e) 2. of the statutes, and protective  
15 occupation participants, described in section 40.23 (2m) (e) 3. and 4. of the statutes.

16 4. Permitting employees to not make employee required contributions under  
17 section 40.05 (1) (a) of the statutes and limiting retirement benefits for employees  
18 who do not make employee required contributions to a money purchase annuity  
19 calculated under section 40.23 (3) of the statutes.

20 (b) No later than June 30, ~~2012~~<sup>2012</sup>, the employee trust funds board shall report  
21 its findings and recommendations to the secretary of administration.

22 (END)

2011-2012 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0764/2ins  
RAC:kjf.md

**Insert Analysis:**

X either a low<sup>↓</sup>cost health care coverage plan or through  
**Insert 2-5:**

no # No moneys may be expended from this appropriation without the approval of  
the secretary of administration.

**Insert 2-11:**

X either a low<sup>↓</sup>cost health care coverage plan or through



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0764/23

RAC:kjf:jf

Thurs, if possible

keep RMP JLD

DOA:.....Frederick, BB0161 - Study of WRS structure and health insurance options

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Insert Analysis A

Federal law authorizes the establishment of health savings accounts, under which individuals may establish health savings accounts into which they and their employers can make federal tax-exempt contributions that can be used for the payment of certain qualified medical expenses. Annual contribution limits are established under federal law and are based on the individual's status, eligibility, and health plan coverage. As a condition of establishing a health savings account, an individual must be covered under a high-deductible health plan. The specific requirements of high-deductible health plans are provided in federal law, but generally require the payment of a certain minimum deductible and the expenditure of certain out-of-pocket expenses before an individual's medical services are covered under the plan.

Insert Analysis B

No later than June 30, 2012, GIB must report its findings and recommendations to the secretary of administration.

In addition, the bill requires the Employee Trust Funds Board, with the assistance of DETF, to study the structure of the Wisconsin Retirement System (WRS) and benefits provided under the WRS. The study must specifically address establishing a defined contribution plan as the sole retirement option for WRS participating employees who begin employment on or after January 1, 2014; ~~establishing a vesting period of one, five, or ten years for employer contributions and eligibility for retirement benefits under the WRS; modifying benefits for elected officials, executive participating employees, and protective occupation participants under the WRS; and permitting participating employees to not make employee required contributions under the WRS and limiting retirement benefits for these employees to a money purchase annuity, which is an annuity purchased from contributions made by or for the employee under the WRS.~~

Under the bill, no later than June 30, 2012, ~~the Employee Trust Funds Board must report its findings and recommendations to the secretary of administration.~~

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

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4 department of employee trust funds, conducted under 2011 Wisconsin Act .... (this  
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6 without the approval of the secretary of administration.

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

8 (1) HEALTH INSURANCE OPTIONS. The group insurance board, with the assistance  
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10 employees eligible who receive health care coverage under subchapter IV of chapter  
11 40 of the statutes, beginning on January 1, 2014, the options of receiving health care  
12 coverage through either a low-cost health care coverage plan or through a  
13 high-deductible health plan and the establishment of a health savings account, as

Insert Analysis C ✓  
Insert Analysis D ✓

Insert 3-4

1 described in 26 USC 223. No later than June 30, 2012, the group insurance board  
2 shall report its findings and recommendations to the secretary of administration.

3 (2) MODIFICATIONS TO WISCONSIN RETIREMENT SYSTEM.

4 (a) The employee trust funds board, with the assistance of the department of  
5 employee trust funds, shall study the structure of the Wisconsin Retirement System  
6 and benefits provided under the Wisconsin Retirement System. The study shall  
7 specifically address the following issues:

Insert 3-16

8 1. Establishing a defined contribution plan as <sup>(an)</sup> the sole retirement option for  
9 participating employees, as defined in section 40.02 (46) of the statutes, who begin  
10 employment on or after January 1, 2014.

11 2. Establishing a vesting period of 1, 5, or 10 years for employer contributions  
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13 3. Modifying benefits for elected officials and executive participating  
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15 occupation participants, described in section 40.23 (2m) (e) 3. and 4. of the statutes.

Insert 3-19

16 4. Permitting employees to not make employee required contributions under  
17 section 40.05 (1) (a) of the statutes and limiting retirement benefits for employees  
18 who do not make employee required contributions to a money purchase annuity  
19 calculated under section 40.23 (3) of the statutes.

20 (b) No later than June 30, 2012, the employee trust funds board shall report  
21 its findings and recommendations to the secretary of administration.

22 (END)

Insert 3-22

The Group Insurance Board

OSER

**Insert Analysis A:**

plain → ~~§~~ This bill requires the director of the Office of State Employment Relations and the secretary of administration to study the feasibility of offering to employees eligible who receive health care coverage under ~~group~~ plans, beginning on January 1, 2013, the option of receiving health care coverage through either a low-cost health care coverage plan or through a high-deductible health plan and the establishment of a health savings account, as described under federal law.

**Insert Analysis B:**

No later than June 30, 2012, the director and secretary shall report their findings and recommendations to the governor.

**Insert Analysis C:**

~~NO~~ ~~§~~ the supplemental health insurance premium credit program for state employees ~~NO~~ ~~§~~

OSER

**Insert Analysis D:**

~~NO~~ ~~§~~ the secretary of administration, the director of ~~the office of state employment relations~~, the secretary of employee trust funds, and the cochairpersons of the joint survey committee on retirement systems shall report their findings and recommendations to the chief clerk of each house of the legislature, for distribution to the legislature ~~NO~~ ~~§~~

**Insert 3-4:**

~~NO~~ ~~§~~ The secretary of administration, the director of the office of state employment relations, the secretary of employee trust funds, and the cochairpersons of the joint survey committee on retirement systems ~~NO~~ ~~§~~

**Insert 3-16:**

~~§~~ ~~#~~ Modifying the supplemental health insurance premium credit program under subchapter IX of chapter 40 of the statutes.

**Insert 3-19:**

~~§~~ ~~#~~ (b) No later than June 30, 2012, the secretary of administration, the director of the office of state employment relations, the secretary of employee trust funds, and



the cochairpersons of the joint survey committee on retirement systems<sup>✓</sup> shall report their findings and recommendations to the chief clerk of each house of the legislature, for distribution to the legislature under section 13.172 (2)<sup>✓</sup> of the statutes.

Insert 3-22:

3 ← (B)

\*

**SECTION 9145. Nonstatutory provisions; State Employment Relations,**

**Office of.**

(1) HEALTH INSURANCE OPTIONS.<sup>✓</sup> The director of the office of state employment relations and the secretary of administration<sup>✓</sup> shall study the feasibility of offering to employees<sup>plain</sup> eligible<sup>eligible</sup> who receive health care coverage under subchapter<sup>✓</sup> IV of chapter 40<sup>✓</sup> of the statutes, beginning on January 1, 2013,<sup>✓</sup> the options of receiving health care coverage through either a low-cost health care coverage plan<sup>✓</sup> or through a high-deductible health plan<sup>✓</sup> and the establishment of a health savings account,<sup>✓</sup> as described in 26 USC 223. No later than June 30, 2012,<sup>✓</sup> the director and secretary shall report their findings and recommendations to the governor.<sup>✓</sup>





State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0764/3  
RAC:kj:rs

4  
RMR

DOA:.....Frederick, BB0161 - Study of WRS structure and health insurance options

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

employee trust funds

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

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

This bill requires the director of the Office of State Employment Relations (OSER) and the secretary of ~~administration~~ to study the feasibility of offering to employees eligible who receive health care coverage under the Group Insurance Board plans, beginning on January 1, 2013, the option of receiving health care coverage through either a low-cost health care coverage plan or through a high-deductible health plan and the establishment of a health savings account, as described under federal law.

Federal law authorizes the establishment of health savings accounts, under which individuals may establish health savings accounts into which they and their employers can make federal tax-exempt contributions that can be used for the payment of certain qualified medical expenses. Annual contribution limits are established under federal law and are based on the individual's status, eligibility, and health plan coverage. As a condition of establishing a health savings account, an individual must be covered under a high-deductible health plan. The specific requirements of high-deductible health plans are provided in federal law, but generally require the payment of a certain minimum deductible and the expenditure of certain out-of-pocket expenses before an individual's medical services are covered under the plan.

No later than June 30, 2012, the director and secretary shall report their findings and recommendations to the governor.

In addition, the bill requires the Employee Trust Funds Board, with the assistance of DETF, to study the structure of the Wisconsin Retirement System (WRS) and benefits provided under the WRS. The study must specifically address establishing a defined contribution plan as the sole retirement option for WRS participating employees who begin employment on or after January 1, 2014; establishing a vesting period of one, five, or ten years for employer contributions and eligibility for retirement benefits under the WRS; modifying the supplemental health insurance premium credit program for state employees under the WRS; and permitting participating employees to not make employee required contributions under the WRS and limiting retirement benefits for these employees to a money purchase annuity, which is an annuity purchased from contributions made by or for the employee under the WRS.

Under the bill, no later than June 30, 2012, the secretary of administration, the director of OSER, the secretary of employee trust funds, and the cochairpersons of the Joint Survey Committee on Retirement Systems shall report their findings and recommendations to the chief clerk of each house of the legislature, for distribution to the legislature.

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

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

1           **SECTION 1.** 20.515 (1) (d) of the statutes is created to read:

2           20.515 (1) (d) *Health insurance and retirement studies.* A sum sufficient to fund  
3 the cost of studies, including any actuarial studies and costs incurred by the  
4 department of employee trust funds, conducted under 2011 Wisconsin Act ... (this  
5 act), section 9115 (1) and (1). No moneys may be expended from this appropriation  
6 without the approval of the secretary of administration.

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

8           (1) **MODIFICATIONS TO WISCONSIN RETIREMENT SYSTEM.**

9           (a) The secretary of administration, the director of the office of state  
10 employment relations, the secretary of employee trust funds, and the cochairpersons  
11 of the joint survey committee on retirement systems shall study the structure of the

1 Wisconsin Retirement System and benefits provided under the Wisconsin  
2 Retirement System. The study shall specifically address the following issues:

3 1. Establishing a defined contribution plan as an option for participating  
4 employees, as defined in section 40.02 (46) of the statutes, who begin employment on  
5 or after January 1, 2014.

6 2. Establishing a vesting period of 1, 5, or 10 years for employer contributions  
7 under section 40.05 (2) of the statutes and for eligibility for retirement benefits.

8 3. Modifying the supplemental health insurance premium credit program  
9 under subchapter IX of chapter 40 of the statutes.

10 4. Permitting employees to not make employee required contributions under  
11 section 40.05 (1) (a) of the statutes and limiting retirement benefits for employees  
12 who do not make employee required contributions to a money purchase annuity  
13 calculated under section 40.23 (3) of the statutes.

14 (b) No later than June 30, 2012, the secretary of administration, the director  
15 of the office of state employment relations, the secretary of employee trust funds, and  
16 the cochairpersons of the joint survey committee on retirement systems shall report  
17 their findings and recommendations to the chief clerk of each house of the  
18 legislature, for distribution to the legislature under section 13.172 (2) of the statutes.

19 **SECTION 9143. Nonstatutory provisions; State Employment Relations,**  
20 **Office of.**

21 (1) HEALTH INSURANCE OPTIONS. The director of the office of state employment  
22 relations and the secretary of ~~administration~~ <sup>employee trust funds</sup> shall study the feasibility of offering  
23 to employees eligible who receive health care coverage under subchapter IV of  
24 chapter 40 of the statutes, beginning on January 1, 2013, the options of receiving  
25 health care coverage through either a low-cost health care coverage plan or through

1 a high-deductible health plan and the establishment of a health savings account, as  
2 described in 26 USC 223. No later than June 30, 2012, the director and secretary  
3 shall report their findings and recommendations to the governor.

4

(END)

**Champagne, Rick**

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**From:** Frederick, Caitlin - DOA [caitlin.frederick@wisconsin.gov]  
**Sent:** Sunday, February 06, 2011 3:10 PM  
**To:** Kraus, Jennifer - DOA; Champagne, Rick  
**Subject:** RE: Draft comments/ questions

Teaching Assistant change should not be substantive. They are currently covered under collective bargaining and not delineated in statute. I will double check though.

---

**From:** Kraus, Jennifer - DOA  
**Sent:** Sunday, February 06, 2011 2:03 PM  
**To:** Champagne, Rick - LEGIS  
**Cc:** Frederick, Caitlin - DOA  
**Subject:** Draft comments/ questions

*Benefits*

0764/3 - we need to change the study on defined contribution to both new and current employees and we also need to study putting state employees in the health exchange and creating a purchasing pool for all state and local health care and Medicaid.

0639/13 - can you change the date to March 13? As far as part-time employees less than 50% time - am I understanding this right - they would pay what they are paying now (50% or 80%)? Is the teaching assistant change substantive?

0757 - Do we need a similar date and a similar provision re: being able to recoup if payroll changes take a while in the WRS draft? Also can you confirm that the definition of local governmental unit under s.66.0131 (1)(a) includes schools?

Thanks - Jenny

MA program all public employees in the state &  
Sells under MA program

health exchange esds  
patient protection &  
affordable care  
act  
2010



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0764/4  
RAC:kjf:rs

✓  
↓  
EJL

DOA:.....Frederick, BAB0033 - Study of WRS structure and health insurance options

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

Don't Gen

funds

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

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

This bill requires the director of the Office of State Employment Relations (OSER) and the secretary of employee trust (finds) to study the feasibility of offering to employees eligible who receive health care coverage under the Group Insurance Board plans, beginning on January 1, 2013, the option of receiving health care coverage through either a low-cost health care coverage plan or through a high-deductible health plan and the establishment of a health savings account, as described under federal law. ↑

Federal law authorizes the establishment of health savings accounts, under which individuals may establish health savings accounts into which they and their employers can make federal tax-exempt contributions that can be used for the payment of certain qualified medical expenses. Annual contribution limits are established under federal law and are based on the individual's status, eligibility, and health plan coverage. As a condition of establishing a health savings account, an individual must be covered under a high-deductible health plan. The specific requirements of high-deductible health plans are provided in federal law, but generally require the payment of a certain minimum deductible and the expenditure of certain out-of-pocket expenses before an individual's medical services are covered under the plan.

Insert Budget

No later than June 30, 2012, the director and secretary shall report their findings and recommendations to the governor.

In addition, the bill requires the Employee Trust Funds Board, with the assistance of DETF, to study the structure of the Wisconsin Retirement System (WRS) and benefits provided under the WRS. The study must specifically address establishing a defined contribution plan as ~~the sole~~ retirement option for WRS participating employees ~~who begin employment on or after January 1, 2014~~ establishing a vesting period of one, five, or ten years for employer contributions and eligibility for retirement benefits under the WRS; modifying the supplemental health insurance premium credit program for state employees under the WRS; and permitting participating employees to not make employee required contributions under the WRS and limiting retirement benefits for these employees to a money purchase annuity, which is an annuity purchased from contributions made by or for the employee under the WRS.

Under the bill, no later than June 30, 2012, the secretary of administration, the director of OSER, the secretary of employee trust funds, and the cochairpersons of the Joint Survey Committee on Retirement Systems shall report their findings and recommendations to the chief clerk of each house of the legislature, for distribution to the legislature.

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

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

1           **SECTION 1.** 20.515 (1) (d) of the statutes is created to read:

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4 department of employee trust funds, conducted under 2011 Wisconsin Act .... (this  
5 act), section 9115 (1) and (1). No moneys may be expended from this appropriation  
6 without the approval of the secretary of administration.

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

8           (1) **MODIFICATIONS TO WISCONSIN RETIREMENT SYSTEM.**

9           (a) The secretary of administration, the director of the office of state  
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5 ~~or after January 1, 2014.~~

6 2. Establishing a vesting period of 1, 5, or 10 years for employer contributions  
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8 3. Modifying the supplemental health insurance premium credit program  
9 under subchapter IX of chapter 40 of the statutes.

10 4. Permitting employees to not make employee required contributions under  
11 section 40.05 (1) (a) of the statutes and limiting retirement benefits for employees  
12 who do not make employee required contributions to a money purchase annuity  
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14 (b) No later than June 30, 2012, the secretary of administration, the director  
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20 **Office of.**

21 (1) HEALTH INSURANCE OPTIONS. The director of the office of state employment  
22 relations and the secretary of employee trust funds shall study the feasibility of  
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25 health care coverage through either a low-cost health care coverage plan or through



Insert  
4-2

1 a high-deductible health plan and the establishment of a health savings account, as  
2 described in 26 USC 223. No later than June 30, 2012, the director and secretary  
3 shall report their findings and recommendations to the governor.

4 (END)

**2011-2012 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

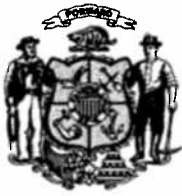
LRB-0764/5ins  
RAC:kjf:rs

**Insert Analysis:**

*no #* The study shall also examine the feasibility of requiring state employees to receive health care coverage through a health benefits exchange established pursuant to the federal Patient Protection and Affordable Care Act of 2010 and creating a health care insurance purchasing pool for all state and local government employees and individuals receiving health care coverage under the Medical Assistance program.

**Insert 4-2:**

*no #* The director of the office of state employment relations and the secretary of employee trust funds shall also study the feasibility of requiring state employees to receive health care coverage through a health benefits exchange established pursuant to the federal Patient Protection and Affordable Care Act of 2010 and creating a health care insurance purchasing pool for all state and local government employees and individuals receiving health care coverage under the Medical Assistance program.



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0764/5  
RAC:kjf&jld:jf

DOA:.....Frederick, BAB0033 - Study of WRS structure and health insurance options

**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*

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12

**(END)**