

Clearinghouse Rule 16-034

State of Wisconsin Department of Employee Trust Funds Group Insurance Board

The scope statement for this rule, SS 007-16, was approved by the Governor on January 27, 2016, published in Register No. 722A1, on February 1, 2016, and approved by ETF Secretary Robert Conlin on February 11, 2016.

The Wisconsin department of employee trust funds proposes an order to repeal ETF 50.10 (1) (a) to (c) and (2); to renumber and amend ETF 50.10 (1) (intro.); and to amend ETF 10.01 (2) (a) 1. and 2., relating to technical and minor substantive changes in existing ETF administrative rules.

Analysis Prepared by the Department of Employee Trust Funds

1. Statutes interpreted:
Sections 40.02 (20) and 40.61 (3), Stats.
2. Statutory authority:
Sections 40.03 (2) (ig) and 227.11 (2) (a), Stats.
3. Explanation of agency authority:
By statute, the ETF Secretary is expressly authorized, with approval by the Group Insurance Board, to promulgate rules required for the administration of the income continuation and life insurance plans established under subchs. IV to VI of ch. 40 of the Wisconsin statutes.

In addition, each state agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency if the agency considers it necessary to effectuate the purpose of the statute.

4. Related statutes or rules:
There are no other related statutes or administrative rules directly related to this technical rule.
5. Plain language analysis:
The objective of this technical rule is to make technical updates to existing ETF rules, delete obsolete language in ETF rules, create consistency with provisions in 2015 Wisconsin Act 55 related to Income Continuation Insurance, and make other minor substantive changes.
6. Summary of, and comparison with, existing or proposed federal statutes and regulations:

The only federal regulations that may be affected by this proposed rule are provisions of the Internal Revenue Code regulating qualified pension plans. The Wisconsin Retirement System is required to be maintained as a qualified plan by s. 40.015, Stats.

7. Comparison with rules in adjacent states:
Periodically, retirement systems in adjacent states promulgate technical rules to update existing administrative rules.
8. Summary of factual data and analytical methodologies:
The department is proposing this rule to update existing rules and interpretations of existing statutes.
9. Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:
This rule does not have an effect on small businesses because private employers and their employees do not participate in, and are not covered by, the Wisconsin Retirement System. Please see attached economic impact analysis.
10. Effect on small business:
The rule has no effect on small businesses.
11. Regulatory Flexibility Analysis
The proposed rule has no effect on small businesses because only governmental employers and their employees may participate in the benefit programs under ch. 40 of the statutes administered by the Department of Employee Trust Funds.
12. Fiscal Estimate
Please see the attached fiscal estimate.
13. Agency contact person (including e-mail and telephone):
Please direct any questions about the proposed rule to David Nispel, General Counsel, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707. The e-mail address: david.nispel@etf.wi.gov. The telephone number is: (608) 264-6936.
14. Place where comments are to be submitted and deadline for submissions:
Written comments on the proposed rule may be submitted to David Nispel, General Counsel, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707. Written comments must be received at the Department of Employee Trust Funds no later than 4:30 p.m. on June 15, 2016.
15. Proposed Effective Date:
This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22 (2) (intro.), Stats.

16. Free Copies of Proposed Rule:

Copies of the proposed rule are available without cost by contacting the General Counsel, Department of Employee Trust Funds, P. O. Box 7931, Madison, WI 53707-7931. You can also obtain a copy by calling (608) 264-6936 or by emailing david.nispel@etf.wi.gov.

Text of Proposed Rule

SECTION 1. ETF 10.01 (2) (a), 1. and 2. are amended to read:

ETF 10.01 (2) “Dependent” means:

(a) For life insurance purposes, an eligible employee's spouse or domestic partner and an employee's ~~unmarried~~ child, including natural child, stepchild, child of the domestic partner, adopted child, and a child in an adoptive placement under s. 48.837 (1), Stats., ~~who is dependent upon the employee for at least 50% of support and maintenance and~~ who is any of the following:

1. ~~More than 14 days of age, but under~~ Under the age of 19,;
2. Age 19 or over but less than age ~~25~~ 26 if a full-time student, or

SECTION 2. ETF 50.10 (1) (intro.) is renumbered (1) and amended to read:

ETF 50.10 (1) An employee of an employer, other than the state, shall be eligible for income continuation insurance under s. 40.61 (3), Stats., if the requirements of ss. 40.02 (46) and 40.22, Stats., ~~and the following conditions are satisfied:~~ are satisfied.

SECTION 3. ETF 50.10 (1) (a) to (c) and (2) are repealed.

SECTION 4. EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22 (2) (intro.), Stats.