

CR 85-82

CERTIFICATE

STATE OF WISCONSIN)
) SS
DEPARTMENT OF EMPLOYE TRUST FUNDS)

RECEIVED

OCT 15 1985
11:20am
Revisor of Statutes
Bureau

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Gary I. Gates, Secretary of the Department of Employee Trust Funds, and custodian of the official records do hereby certify that the annexed amendment to a rule relating to the termination of a resolution for participation in the group life plan, administered by the Department of Employee Trust Funds, for failure to have sufficient employe participation was duly approved by the Employee Trust Funds, Teachers Retirement and Wisconsin Retirement Boards and adopted by this department on October 14, 1985.

I further certify that this copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 201 East Washington Avenue, in the City of Madison, this 14 day of October, 19 85.

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

12-1-85

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS
AMENDING A RULE

To amend ETF 60.31 (2), relating to the termination of a resolution for participation in the group life plan, administered by the Department of Employee Trust Funds, for failure to have sufficient employee participation.

Analysis Prepared by the Department of Employee Trust Funds

ETF 60.31 (2) requires the department to annually review a participating employer's level of employee participation in the group life insurance plan. The current group life insurance program is composed of a number of plans which may be offered by resolution to the employees of local governments. More than 450 such employers are presently participating. While it is desirable, through use of this review mechanism, to protect the group life insurance program from potential adverse selection brought about by limited participation levels it is no longer cost effective to mandate this annual review. The rule makes the review optional based upon limited or non-participation in the program. If the participation level has dropped to zero the department may terminate the resolution without submitting it to the Group Insurance Board.

This rule also provides that the termination date of a resolution to participate in the group life insurance program is effective at the end of the calendar year or three months after the termination, whichever is later. The employer will then have adequate time to find a new life insurance program for its employees.

This rule has no impact on small businesses.

This rule interprets s. 40.70 (2), Stats.

Pursuant to the authority vested in the secretary of the department of employee trust funds by s. 40.03 (2) (1), Stats., the secretary of the department of employee trust funds hereby amends a rule interpreting s. 40.70 (2), Stats., as follows:

SECTION 1. ETF 60.31 (2) is amended to read:

ETF 60.31 (2) The department ~~shall-annually~~ may review a participating employer's level of employee participation in the basic group life insurance

plan provided under s. 40.72(1), Stats. If in making a review of a participating employer's level of employe participation in the basic group life insurance plan the department determines that there is no employe participation, and this is confirmed by the employer, the department may terminate the life insurance resolution adopted under s. 40.70 (1) (a), Stats. If the department determines that employe participation ~~decreases~~ has decreased below the level established under s. 40.70 (2), Stats., the department shall prepare a list of those employers for submission to the group insurance board. ~~The~~ and the group insurance board shall determine which resolutions will be terminated. The termination of a resolution shall be effective either after the end of the third full month following the date the group insurance board ~~elects to terminate~~ or the department terminates coverage or the end of the calendar year, whichever occurs later. If a resolution is terminated under this subsection another resolution may be submitted under s. 40.70 (1) (a), Stats., after a lapse of 6 months from the effective date of the termination.

The amendment to a rule contained in this order shall take effect as provided in s. 227.026 (1) (intro.), Stats.

October 14, 1985
Date

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

FISCAL ESTIMATE WORKSHEET

1985 Session

Detailed Estimate of Annual Fiscal Effect
AD-MBA-22 (Rev. 11/84)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

~~HB 60.31~~ /Adm. Rule No.
ETF 60.31 (2)

Amendment No.

Subject

Participation level in the group life insurance plan administered by DETF.

I. One-time Costs or Revenue Fluctuations for State and/or Local Government (do not include in annualized fiscal effect):

None

II. Annualized Costs: Note: Treat fiscal costs like a "checkbook": Increased costs reduce available funds (-); decreased costs increase available funds (+).

Annualized fiscal impact on State funds from:

	Increased Costs	Decreased Costs
A. State Costs by Category		
Salaries and Fringes	\$ -	\$ +
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Aids to Individuals or Organizations	-	+
TOTAL State Costs by Category	\$ - 0	\$ + 0
B. State Costs by Source of Funds		
GPR	\$ -	\$ +
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+
C. FTE Position Changes	Increased Pos. + (0)	Decreased Pos. - (0)
III. State Revenues—Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.	Decreased Rev.	Increased Rev.
GPR Taxes	\$ -	\$ +
GPR Earned	-	+
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+
TOTAL State Revenues	\$ - 0	\$ + 0

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ -	\$ +	Total Costs	\$ -	\$ +
Total Revenues	+	-	Total Revenues	+	-
NET Impact on State Funds	\$ (+) or (-)	none	NET Impact on Local Funds	\$ (+) or (-)	none

Agency/Prepared by: (Name & Phone No.)
Diane M. Bass 266-5804
Dept. of Employee Trust Funds

Authorized Signature/Telephone No.
Diane M. Bass 266-5804

Date
4/1/85

FISCAL ESTIMATE
AO-MBA-23 (Rev. 11/84)

1985 Session

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

~~OFFICE OF THE CLERK OF THE HOUSE~~/Adm. Rule No.
ETF 60.31 (2)
Amendment No. if Applicable

Subject

Participation level in the group life insurance plan administered by DETF.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation
or affects a sum sufficient appropriation.

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May Be Possible to Absorb
Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Other: _____

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

ETF 60.31 (2) currently requires the Department of Employee Trust Funds to annually review a participating employer's level of employee participation in the group life insurance program. The current group life insurance program is composed of a number of plans which may be offered by resolution to the employees of more than 450 employers. Future annual review of all employers would be both costly and time-consuming. The proposed amendment would make the review optional and it would only be performed on employee groups which appear to have limited or non-participation in the program.

The potential savings in staff time will eliminate the need for hiring additional staff in the future to conduct these reviews.

Long-Range Fiscal Implications

Indeterminate administrative savings.

Agency/Prepared by: (Name & Phone No.)

Diane M. Bass 266-5804
Department of Employee Trust Funds

Authorized Signature/Telephone No.

Diane M. Bass 266-5805

Date

4/1/85



State of Wisconsin \ DEPARTMENT OF EMPLOYEE TRUST FUNDS

October 14, 1985

RECEIVED

Gary I. Gates
Secretary

201 EAST WASHINGTON AVENUE
P.O. BOX 7931
MADISON, WISCONSIN 53707

OCT 15 1985

IN REPLY REFER TO:

Gary Poulson
Assistant Revisor of Statutes
Suite 904, 30 West Mifflin
Madison, WI 53703

Revisor of Statutes
Bureau

Dear Gary:

Re: Clearinghouse Rule No. 85-82

Enclosed is a Certificate and two copies of an Order Amending a Rule. A certified copy of this order has been forwarded to the Secretary of State.

Sincerely,

Diane M. Bass
Policy Analyst
(608) 266-5804

DMB/abc Md2