

CR 87-69

CERTIFICATE

State of Wisconsin )  
 )  
Department of Employee Trust Funds ) SS

RECEIVED

OCT 22 1987  
8:35 am  
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 creation of a rule relating to eligibility and contribution requirements for the health insurance and Income Continuation Insurance programs for public employers other than the state, were duly approved by the Employee Trust Funds, Teachers Retirement and Wisconsin Retirement Boards and adopted by this department on October 20, 1987.

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 here unto set my hand at 201 E. Washington Avenue, the City of Madison, this 20th day of October, 1987.

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

1-188

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS  
ADOPTING A RULE

The Wisconsin Department of Employee Trust Funds proposes an order to create ETF 40.10 and ETF 50.10, relating to eligibility and contribution requirements for the health insurance and income continuation insurance programs for public employers other than the state.

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Analysis Prepared by the Department of Employee Trust Funds

Statutory authority: ss. 40.51 (7) and 40.61 (3), Stats.

Statutes interpreted: ss. 40.51 (7) and 40.61 (3), Stats.

Section 40.51 (7), Stats., provides that the Group Insurance Board may offer a health insurance program to local government employees. The department may by rule limit the categories of eligible employees and employers and set contribution requirements.

ETF 40.10 limits eligibility to employees participating in the Wisconsin Retirement System and those covered under the police and fire pension fund administered by the Department under s. 40.19 (4) (a), Stats., and sets the minimum and maximum employee contributions.

Section 40.61 (3), Stats., provides that the Group Insurance Board may also provide an Income Continuation Insurance program for local government employees.

Section 50.10 limits the category of eligible employees to active employees who have been participating in the Wisconsin Retirement System for six months. The rule provides an exception to the six months requirement for local elected officials by making them immediately eligible for coverage. A minimum employer contribution is also established under the proposed rule.

Small businesses are not affected by these rules.

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SECTION 1. ETF 40.10 is created to read:

ETF 40.10 PUBLIC EMPLOYERS HEALTH INSURANCE. (1) An employe of an employer, other than the state, shall be eligible for health insurance under s. 40.51 (7), Stats., if the requirements of ss. 40.02 (46) and 40.22 or of s. 40.19 (4) (a), Stats., are satisfied.

(2) The employer shall pay an employer contribution toward the gross health insurance premium based on the lowest cost qualified plan in the service area of the employer, as follows:

(a) For insured part-time employees who are appointed to work less than 1,044 hours per year, an amount not less than 25% of the lowest cost qualified plan.

(b) For eligible employees not specified in par. (a) or (c), an amount between 50% and 105% of the lowest cost qualified plan.

(c) For a retiree, surviving dependent or an eligible employee on leave of absence or layoff, an employer contribution is optional.

SECTION 2. ETF 50.10 is created to read:

ETF 50.10 PUBLIC EMPLOYER INCOME CONTINUATION INSURANCE. (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:

(a) The employee is under age 70.

(b) The employee has accumulated 6 months of service under the Wisconsin retirement system.

(c) The employee is not on a leave of absence at the time of enrollment.

(2) Elected officials are not subject to sub. (1) (b).

(3) The employer shall pay an employer contribution toward the income continuation insurance premium which is not less than the corresponding gross premium for the 180-day waiting period plan.

These rules 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.

Oct. 20, 1987  
Date

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

**FISCAL ESTIMATE WORKSHEET**

1987 Session

Detailed Estimate of Annual Fiscal Effect

ORIGINAL  UPDATED  
 CORRECTED  SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

Amendment No.

AD-MBA-22(Rev. 10/86)

ETF 40.10 & 50.10

Subject

Health and life insurance programs for public employers other than the state.

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

**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                   | +                                 | -                |
| <b>NET Impact on State Funds</b> | <b>\$ (+)</b><br>or<br><b>(-)</b> | <b>None</b>      | <b>NET Impact on Local Funds</b> | <b>\$ (+)</b><br>or<br><b>(-)</b> | <b>None</b>      |

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

5/13/87

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
ETF 40.10 & 50.10  
Amendment No. if Applicable

Subject

Health and life insurance programs for public employers other than the state.

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     Others \_\_\_\_\_

Fund Sources Affected

- GPR     FED     PRO     PRS     SEG     SEGS

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

1985 Wis. Act 29 provided that the Group Insurance Board could offer group health and income continuation insurance programs to employees of local units of government. These programs are purely voluntary on the part of the employers.

The proposed rules establish employe eligibility criteria for participation in the programs. In addition, they specify minimum and maximum employe and employer contribution requirements.

The majority of employers are electing one or both of these insurance plans to replace existing coverage and take advantage of improved benefits or decreased cost. We therefore expect that these rules will have little or no fiscal effect.

Long-Range Fiscal Implications

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

5/13/87



State of Wisconsin \ DEPARTMENT OF EMPLOYE TRUST FUNDS

October 20, 1987

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OCT 22 1987

Gary I. Gates  
Secretary

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

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

Revisor of Statutes  
Bureau

IN REPLY REFER TO:

Dear Gary:

Re: Clearinghouse Rule #87-69

Enclosed is a Certificate and two copies of an Order Adopting 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/maj T2  
Enclosure