

1991 Senate Bill 20

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1991 WISCONSIN ACT 107

AN ACT to amend 40.05 (4) (b); and to create 40.05 (4) (bd) and (be) of the statutes, relating to: the period during which a retired public employe may delay the use of sick leave credits for the payment of postretirement health insurance premiums under the state group health insurance program.

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

SECTION 1. 40.05 (4) (b) of the statutes is amended to read:

40.05 (4) (b) Except as provided under par. (bp), accumulated unused sick leave under ss. 13.121 (4), 36.30, 230.35 (2) and 757.02 (5) and subch. V of ch. 111 of any eligible employe shall, at the time of death, upon qualifying for an immediate annuity or for a lump sum payment under s. 40.25 (1) or upon termination of creditable service and qualifying as an eligible employe under s. 40.02 (25) (b) 6. or 10., be converted, at the employe's current basic pay rate, to credits for payment of health insurance premiums on behalf of the employe or the employe's surviving insured dependents. The full premium for any eligible employe who is insured at the time of retirement, or for the surviving insured ~~dependent~~ dependents of an eligible employe ~~in the event of death who is deceased~~, shall be deducted from the credits until the credits are exhausted and paid from the account under s. 40.04 (10), and then deducted from annuity payments, if the annuity is sufficient. The department shall provide for the direct payment of premiums by the insured to the insurer if the premium to be withheld exceeds the annuity payment. ~~The employe may elect to delay initiation of deductions for up to 5 years after the date of retirement if that employe is~~ Except as provided in par. (bd), upon conversion of an employe's unused sick leave to credits under this paragraph, the employe or, if the employe is deceased, the employe's surviving insured dependents

may elect to delay initiation of deductions from those credits for up to 10 years after the date of the conversion if the employe or surviving insured dependents are covered by a comparable health insurance plan or policy between the date of retirement and the time the employe elects during the period beginning on the date of the conversion and ending on the last day of the 2nd month after the date on which the employe or surviving insured dependents later elect to initiate deductions from his or her sick leave those credits. A health insurance plan or policy is considered comparable if it provides hospital and medical benefits ~~which that~~ that are substantially equivalent to the standard health insurance plan established under s. 40.52 (1).

SECTION 2. 40.05 (4) (bd) and (be) of the statutes are created to read:

40.05 (4) (bd) If a retired employe or the retired employe's surviving insured dependents elected before the effective date of this paragraph [revisor inserts date], to delay initiation of deductions from the employe's sick leave credits for up to 5 years after the date on which the employe's unused sick leave was converted to those credits and those deductions have been initiated, but have not been terminated, before the date on which the employe or surviving insured dependents submit an election under subd. 1, or if a retired employe or the surviving insured dependents of a retired employe who terminated creditable service 5 years or less before the effective date of this paragraph [revisor inserts date], elected to delay initiation of deductions from the employe's sick leave credits and those deductions have

not been initiated before the date on which the employe or surviving insured dependents submit an election under subd. 1, the retired employe or surviving insured dependents may elect to delay continuation or initiation of those deductions for up to 10 years after the date on which the employe's unused sick leave was converted to those credits if all of the following apply:

1. The retired employe or surviving insured dependents make the election on a form provided by the department and submit the election to the department no later than the last day of the 3rd month beginning after the effective date of this subdivision [revisor inserts date], or the last day of the 60th month beginning after the date of the conversion, whichever is later.

2. The retired employe or surviving insured dependents are covered by a comparable health insurance plan or policy during the period beginning on the date on which the employe or surviving insured dependents sub-

mit an election under subd. 1 and ending on the last day of the 2nd month after the date on which the employe or surviving insured dependents later elect to continue or initiate the deductions. A health insurance plan or policy is considered comparable if it provides hospital and medical benefits that are substantially equivalent to the standard health insurance plan established under s. 40.52 (1).

(be) An employe or an employe's surviving insured dependents may elect to delay and to later initiate deductions from the employe's sick leave credits under par. (b) only once and under par. (bd) only once. If deductions are delayed and later initiated under par. (b) or (bd), the health insurance coverage of the employe or surviving insured dependents is effective on the first day of the 3rd month beginning after the date on which the employe or surviving insured dependents later elect to initiate the deductions under par. (b) or (bd).
