



1995 ASSEMBLY BILL 683

November 9, 1995 - Introduced by JOINT COMMITTEE ON EMPLOYMENT RELATIONS.
Referred to Calendar.

1 **AN ACT to amend** 20.515 (1) (c); and **to create** 40.02 (22) (g), 40.04 (11), 40.05 (4)
2 (by), subchapter IX of chapter 40 [precedes 40.95] and 230.12 (9) of the statutes;
3 **relating to:** a program for awarding credits for the payment of health
4 insurance premiums by retired nonrepresented state employes and elected
5 officials and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill is introduced under s. 230.12, stats., which requires that it be put on the calendar. The bill accomplishes certain statutory changes necessary to implement the nonrepresented state employe compensation plan, as modified and approved by the joint committee on employment relations. The bill does all of the following:

1. Authorizes the secretary of employment relations to recommend to the joint committee on employment relations a program, administered by the department of employe trust funds (DETF), that provides health insurance premium credits to nonrepresented state employes and elected state officials. The health insurance premium credits shall be used for the purchase of health insurance for a retired employe, or the retired employe's surviving insured dependents, and shall be based on the employe's years of continuous service, accrued accumulated unused sick leave and any other factor recommended by the secretary of employment relations.

2. Requires DETF to administer a program that provides health insurance premium credits for the purchase of health insurance for a retired employe, or the retired employe's surviving insured dependents, for nonrepresented state employes and elected state officials whose compensation includes such health insurance premium credits and who are permitted, under current law, to convert accrued accumulated unused sick leave into credits for the payment of health insurance premiums. The health insurance premium credits must be based on the employe's

years of continuous service, accumulated unused sick leave and any other factor specified as part of the employe's compensation. The bill also provides that DETF is not required to administer any program that provides such health insurance premium credits if DETF determines that the program does not conform to the program approved by the joint committee on employment relations.

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) (c) of the statutes is amended to read:

2 20.515 (1) (c) *Contingencies.* A sum sufficient to make all payments due other
3 parties under subchs. III to VI and, VIII and IX of ch. 40 when the moneys for the
4 payment have not yet been received by the public employe trust fund. The public
5 employe trust fund shall reimburse this appropriation as soon as moneys are
6 received for the cost of the payments.

7 **SECTION 2.** 40.02 (22) (g) of the statutes is created to read:

8 40.02 (22) (g) Does not include credits for the payment of health insurance
9 premiums provided under subch. IX.

10 **SECTION 3.** 40.04 (11) of the statutes is created to read:

11 40.04 (11) A health insurance premium credit account shall be maintained
12 within the fund, to which shall be credited all moneys received under s. 40.05 (4) (by)
13 for the payment of health insurance premiums, as dividends or premium credits
14 arising from the operation of health insurance plans and from investment income on
15 any reserves established in the fund for health insurance purposes for retired
16 employes and their surviving dependents. Premium payments to health insurers
17 authorized in subch. IX may only be charged to this account after all other health
18 insurance premium credits under s. 40.05 (4) (b), (bc) and (bm) are exhausted. This

1 subsection does not prohibit the direct payment of premiums to insurers when
2 appropriate administrative procedures have been established for direct payments.

3 **SECTION 4.** 40.05 (4) (by) of the statutes is created to read:

4 40.05 (4) (by) 1. Employers shall pay contributions that are sufficient to pay
5 for the present value of the present and future benefits authorized under subch. IX.
6 Except as provided in subd. 2., the board shall annually determine the contribution
7 rate upon certification by the actuary of the department. The contribution rates
8 determined under this paragraph shall become effective on January 1 of the calendar
9 year in which they are applicable and shall remain in effect during that year.

10 2. Beginning on the effective date of this subdivision [revisor inserts date],
11 and ending on June 30, 1997, each employer shall pay contributions equal to the
12 dollar value of the credits awarded to its retired employes under subch. IX, as
13 determined and directed by the department. The board, upon certification by the
14 actuary, shall determine the contribution rate to be paid by employers for the period
15 beginning on July 1, 1997, and ending on December 31, 1997. In determining the
16 contribution rate for this period, the board shall consider any remaining unfunded
17 present and future liability for any benefits arising under subch. IX before July 1,
18 1997.

19 **SECTION 5.** Subchapter IX of chapter 40 [precedes 40.95] of the statutes is
20 created to read:

21 **CHAPTER 40**

22 **SUBCHAPTER IX**

23 **HEALTH INSURANCE PREMIUM**

24 **CREDITS**

1 **40.95 Health insurance premium credits.** (1) Subject to sub. (2), the
2 department shall administer a program that provides health insurance premium
3 credits for the purchase of health insurance for a retired employe, or the retired
4 employe's surviving insured dependents, to eligible employes whose compensation
5 includes such health insurance premium credits and who accrue accumulated
6 unused sick leave under s. 13.121 (4), 36.30, 230.35 (2) or 757.02 (5). The health
7 insurance premium credits shall be based on the employe's years of continuous
8 service, accumulated unused sick leave and any other factor specified as part of the
9 employe's compensation.

10 (2) The department is not required to administer any program that provides
11 health insurance premium credits for the purchase of health insurance for a retired
12 employe, or the retired employe's surviving insured dependents, if the department
13 determines that the program does not conform to the program approved by the joint
14 committee on employment relations under s. 230.12 (9).

15 **SECTION 6.** 230.12 (9) of the statutes is created to read:

16 **230.12 (9) HEALTH INSURANCE PREMIUM CREDITS.** The secretary may recommend
17 to the joint committee on employment relations a program, administered by the
18 department of employe trust funds, that provides health insurance premium credits
19 to employes whose compensation is established under this section or s. 20.923 (2) or
20 (3). The health insurance premium credits shall be used for the purchase of health
21 insurance for a retired employe, or the retired employe's surviving insured
22 dependents, and shall be based on the employe's years of continuous service,
23 accumulated unused sick leave and any other factor recommended by the secretary.

