

State of Wisconsin



1995 Senate Bill 33

Date of enactment: April 18, 1996

Date of publication*: May 2, 1996

1995 WISCONSIN ACT 240

AN ACT *to amend* 40.02 (22) (f), 40.04 (10), 40.04 (11) and 40.05 (4) (b); and *to create* 20.515 (1) (b) and 40.05 (4) (bf) of the statutes; **relating to:** granting credit for the payment of postretirement health insurance premiums under the state group health insurance program for accumulated unused sick leave earned for service in Wisconsin as a national guard technician prior to 1966 and making an appropriation.

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

SECTION 1. 20.515 (1) (b) of the statutes is created to read:

20.515 (1) (b) *Health insurance payments for certain retired state employees.* A sum sufficient to reimburse the accumulated sick leave conversion account under s. 40.04 (10), for the payment of benefits to persons who became annuitants before the effective date of this paragraph [revisor inserts date], authorized under s. 40.05 (4) (bf).

SECTION 2. 40.02 (22) (f) of the statutes is amended to read:

40.02 (22) (f) Does not mean credits for payment of health insurance premiums converted from accumulated unused sick leave for a participating employe who qualifies for a disability benefit under s. 40.63 or 40.65, and who qualifies for the conversion of accumulated unused sick leave under s. 40.05 (4) (b) or (bc) or (bf) or as provided by a participating employer's compensation plan or contract.

SECTION 3g. 40.04 (10) of the statutes, as affected by 1995 Wisconsin Act 89, is amended to read:

40.04 (10) An accumulated sick leave conversion account shall be maintained within the fund, to which shall

be credited all money received under s. 40.05 (4) (b), (bc), (bf), (bm), (br) and (bw) for health insurance premiums, as dividends or premium credits arising from the operation of health insurance plans and from investment income on any reserves established in the fund for health insurance purposes for retired employes and their surviving dependents. Premium payments to health insurers authorized in s. 40.05 (4) (b), (bc), (bf), (bm) and (bw) shall be charged to this account. The department shall separately account for premium payments authorized under s. 40.05 (4) (bf) for purposes of reimbursement from the appropriation under s. 20.515 (1) (b). This subsection does not prohibit the direct payment of premiums to insurers when appropriate administrative procedures have been established for direct payments.

SECTION 3r. 40.04 (11) of the statutes, as created by 1995 Wisconsin Acts 88 and 89, is amended to read:

40.04 (11) A health insurance premium credit account shall be maintained within the fund, to which shall be credited all moneys received under s. 40.05 (4) (by) for the payment of health insurance premiums, as dividends or premium credits arising from the operation of health insurance plans and from investment income on any reserves established in the fund for health insurance purposes for retired employes and their surviving dependents. Premium payments to health insurers authorized

* Section 991.11, WISCONSIN STATUTES 1993-94: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

in subch. IX may only be charged to this account after all other health insurance premium credits under s. 40.05 (4) (b), (bc), (bf), (bm) and (bw) are exhausted. This subsection does not prohibit the direct payment of premiums to insurers when appropriate administrative procedures have been established for direct payments.

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

40.05 (4) (b) Except as provided under pars. (bc) and (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 dependents of an eligible employe 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. Except as provided in par. (bd), upon conversion of an employe's unused sick leave to credits under this paragraph or par. (bf), 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 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 de-

ductions from those credits. 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).

SECTION 5. 40.05 (4) (bf) of the statutes is created to read:

40.05 (4) (bf) Any eligible employe who was granted credit under s. 230.35 (1) (gm) for service as a national guard technician, who, on December 31, 1965, had accumulated unused sick leave that was based on service performed in this state as a national guard technician before January 1, 1966, and who is a participating employe or terminated all creditable service after June 30, 1972, or, if the eligible employe is deceased, the surviving insured dependents of the eligible employe, may have that accumulated unused sick leave converted to credits for the payment of health insurance premiums on behalf of the eligible employe or the surviving insured dependents if, not later than the last day of the 6th month beginning after the effective date of this paragraph [revisor inserts date], the eligible employe or the surviving insured dependents submit to the department, on a form provided by the department, an application for the conversion. The application shall include evidence satisfactory to the department to establish the applicant's rights under this paragraph and the amount of the accumulated unused sick leave that is eligible for the conversion. The accumulated unused sick leave shall be converted under this paragraph, at the eligible employe's basic pay rate immediately prior to termination of all creditable service, on the date of conversion specified in par. (b) or on the last day of the 2nd month beginning after the date on which the department receives the application under this paragraph, whichever is later. Deductions from those credits, elections to delay initiation of those deductions and premium payments shall be made as provided in par. (b).