

# State of Wisconsin



1997 Senate Bill 144

Date of enactment: **April 20, 1998**

Date of publication\*: **May 4, 1998**

## 1997 WISCONSIN ACT 149

AN ACT to amend 40.05 (4) (b) and 40.05 (4) (bm) of the statutes; relating to: the valuation of a state employee's accumulated sick leave credits for the payment of health insurance premiums under a group health insurance program administered by the group insurance board.

*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, as affected by 1995 Wisconsin Act 27, 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), 233.10 and 757.02 (5) and subch. I or V of ch. 111 of any eligible employee 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 employee under s. 40.02 (25) (b) 6. or 10., be converted, at the employee's current basic pay rate, to credits for payment of health insurance premiums on behalf of the employee or the employee's surviving insured dependents. Any supplemental compensation that is paid to a state employee who is classified under the state classified civil service as a teacher, teacher supervisor or education director for the employee's completion of educational courses that have been approved by the employee's employer is considered as part of the employee's basic pay for purposes of this paragraph. The full premium for any eligible employee who is insured at the time of retirement, or for the surviving insured dependents of an eligible employee 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 employee's unused sick leave to credits under this paragraph or par. (bf), the employee or, if the employee is deceased, the employee'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 employee 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 employee or surviving insured dependents later elect to initiate deductions 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 2.** 40.05 (4) (bm) of the statutes is amended to read:

40.05 (4) (bm) Except as provided under par. (bp), accumulated unused sick leave under ss. 36.30 and 230.35 (2) or 233.10 of any eligible employee shall, upon request of the employee at the time the employee is subject to layoff under s. 40.02 (40), be converted at the

\* Section 991.11, WISCONSIN STATUTES 1995-96: 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].

employee's current basic pay rate to credits for payment of health insurance premiums on behalf of the employee. Any supplemental compensation that is paid to a state employe who is classified under the state classified civil service as a teacher, teacher supervisor or education director for the employe's completion of educational courses that have been approved by the employe's employer is considered as part of the employe's basic pay for purposes of this paragraph. The full amount of the required employe contribution for any eligible employe who is insured at the time of the layoff shall be deducted from the credits until the credits are exhausted, the employe is

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reemployed, or 5 years have elapsed from the date of layoff, whichever occurs first.

### **SECTION 3. Initial applicability.**

(1) This act first applies to participants in the Wisconsin retirement system who apply for the conversion of unused sick leave credits for the payment of health insurance premiums under section 40.05 (4) (b) and (bm) of the statutes on the effective date of this subsection.

### **SECTION 4. Effective date.**

(1) This act takes effect on July 1, 1997, or on the day after publication, whichever is later.

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