



**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO ASSEMBLY BILL 23**

March 20, 2013 – Offered by Representative THIESFELDT.

1     **AN ACT** *to amend* 119.04 (1); and *to create* 38.12 (12), 66.0138 and 120.12 (28)  
2           of the statutes; **relating to:** funding postretirement health care benefits of local  
3           government employees.

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

4           **SECTION 1.** 38.12 (12) of the statutes is created to read:

5           **38.12 (12) HEALTH CARE BENEFITS FOR RETIREES.** (a) If the district board provides  
6           any health care benefits for use upon retirement, including compensated absences  
7           but excluding the implicit rate subsidy, to an employee hired on or after January 1,  
8           2015, the district board shall ensure that the cost of the benefits is fully funded in  
9           a segregated account, based on an actuarial study conducted at least once every 4  
10          years or other method that complies with generally accepted accounting principles.

11          (b) If the district board dissolves a segregated account established under par.  
12          (a) or any portion of such a segregated account, the district board shall provide for

1 the equitable distribution of the proceeds among the employees who are beneficiaries  
2 of the benefits funded from the segregated account or portion thereof that is  
3 dissolved.

4 **SECTION 2.** 66.0138 of the statutes is created to read:

5 **66.0138 Health care benefits for retirees.** (1) In this section, “political  
6 subdivision” means a city, village, town, or county.

7 (2) (a) If a political subdivision provides any health care benefits for use upon  
8 retirement, including compensated absences but excluding the implicit rate subsidy,  
9 to an employee hired on or after January 1, 2015, the political subdivision shall  
10 ensure that the cost of the benefits is fully funded in a segregated account, based on  
11 an actuarial study conducted at least once every 4 years or other method that  
12 complies with generally accepted accounting principles.

13 (b) If the political subdivision dissolves a segregated account established under  
14 par. (a) or any portion of such a segregated account, the political subdivision shall  
15 provide for the equitable distribution of the proceeds among the employees who are  
16 beneficiaries of the benefits funded from the segregated account or portion thereof  
17 that is dissolved.

18 **SECTION 3.** 119.04 (1) of the statutes is amended to read:

19 119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.0235 (3) (c),  
20 66.0603 (1m) to (3), 115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343,  
21 115.345, 115.363, 115.365 (3), 115.38 (2), 115.415, 115.445, 118.001 to 118.04,  
22 118.045, 118.06, 118.07, 118.075, 118.076, 118.10, 118.12, 118.125 to 118.14, 118.145  
23 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164, 118.18, 118.19, 118.20,  
24 118.223, 118.225, 118.24 (1), (2) (c) to (f), (6), (8), and (10), 118.245, 118.255, 118.258,  
25 118.291, 118.292, 118.293, 118.30 to 118.43, 118.46, 118.51, 118.52, 118.55, 120.12

1 (2m), (4m), (5), and (15) to ~~(27)~~ (28), 120.125, 120.13 (1), (2) (b) to (g), (3), (14), (17)  
2 to (19), (26), (34), (35), (37), (37m), and (38), 120.14, 120.21 (3), and 120.25 are  
3 applicable to a 1st class city school district and board.

4 **SECTION 4.** 120.12 (28) of the statutes is created to read:

5 120.12 **(28)** HEALTH CARE BENEFITS FOR RETIREES. (a) If the school board provides  
6 any health care benefits for use upon retirement, including compensated absences  
7 but excluding the implicit rate subsidy, to an employee hired on or after January 1,  
8 2015, ensure that the cost of the benefits is fully funded in a segregated account,  
9 based on an actuarial study conducted at least once every 4 years or other method  
10 that complies with generally accepted accounting principles.

11 (b) If the school board dissolves a segregated account established under par. (a)  
12 or any portion of such a segregated account, the school board shall provide for the  
13 equitable distribution of the proceeds among the employees who are beneficiaries of  
14 the benefits funded from the segregated account or portion thereof that is dissolved.

15 **(END)**