



1995 ASSEMBLY BILL 684

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

1 **AN ACT to amend** 20.515 (1) (c), 40.04 (10) and 40.05 (4) (br) 1.; and **to create**
2 40.02 (22) (g), 40.04 (11), 40.05 (4) (bw), 40.05 (4) (by) and subchapter IX of
3 chapter 40 [precedes 40.95] of the statutes; **relating to:** ratification of the
4 agreement negotiated between the state of Wisconsin and the Wisconsin State
5 Employees Union, AFSCME Council 24, and its appropriate affiliated locals,
6 AFL-CIO, for the 1995-97 biennium, covering employes in the clerical and
7 related collective bargaining unit, and authorizing an expenditure of funds;
8 requiring the department of employe trust funds to administer a program for
9 awarding credits for the payment of health insurance premiums by retired
10 state employes covered by a collective bargaining agreement; and making an
11 appropriation.

Analysis by the Legislative Reference Bureau

This bill does all of the following:

1. Ratifies the collective bargaining contract for state employes in the clerical and related collective bargaining unit negotiated for the 1995-97 biennium under the state employment labor relations act. Currently, statutory program supplement appropriations fund the costs of collective bargaining agreements to the extent that they exceed budgeted costs. The bill authorizes expenditure of moneys from those appropriations to fund the cost of this agreement.

2. Requires the department of employe trust funds 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 state employes whose compensation is established under a collective bargaining agreement pursuant to the state employment labor relations act and whose compensation includes such health insurance premium credits.

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 s. 40.05 (4) (bw) or subch. IX or any sabbatical or vacation
10 leave converted into such credits.

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

12 40.04 (10) An accumulated sick leave conversion account shall be maintained
13 within the fund, to which shall be credited all money received under s. 40.05 (4) (b),
14 (bc) ~~and~~, (bm), (br) and (bw) for health insurance premiums, as dividends or premium
15 credits arising from the operation of health insurance plans and from investment
16 income on any reserves established in the fund for health insurance purposes for
17 retired employes and their surviving dependents. Premium payments to health
18 insurers authorized in s. 40.05 (4) (b), (bc) ~~and~~, (bm) and (bw) shall be charged to this
19 account. This subsection does not prohibit the direct payment of premiums to

1 insurers when appropriate administrative procedures have been established for
2 direct payments.

3 **SECTION 4.** 40.04 (11) of the statutes is created to read:

4 40.04 (11) A health insurance premium credit account shall be maintained
5 within the fund, to which shall be credited all moneys received under s. 40.05 (4) (by)
6 for the payment of health insurance premiums, as dividends or premium credits
7 arising from the operation of health insurance plans and from investment income on
8 any reserves established in the fund for health insurance purposes for retired
9 employes and their surviving dependents. Premium payments to health insurers
10 authorized in subch. IX may only be charged to this account after all other health
11 insurance premium credits under s. 40.05 (4) (b), (bc), (bm) and (bw) are exhausted.
12 This subsection does not prohibit the direct payment of premiums to insurers when
13 appropriate administrative procedures have been established for direct payments.

14 **SECTION 5.** 40.05 (4) (br) 1. of the statutes is amended to read:

15 40.05 (4) (br) 1. Employers shall pay contributions that shall be sufficient to
16 pay for the present value of the present and future benefits authorized under pars.
17 (b) and, (bc) and (bw). Subject to subd. 2., the board shall annually determine the
18 contribution rate upon certification by the actuary of the department. The
19 contribution rates determined under this paragraph shall become effective on
20 January 1 of the calendar year in which they are applicable and shall remain in effect
21 during that year; ~~except that in 1985 the contribution rates shall become effective on~~
22 ~~July 1 and shall remain in effect during the remainder of 1985.~~

23 **SECTION 6.** 40.05 (4) (bw) of the statutes is created to read:

24 40.05 (4) (bw) On converting accumulated unused sick leave to credits for the
25 payment of health insurance premiums under par. (b), the department shall add

1 additional credits, calculated in the same manner as are credits under par. (b), that
2 are based on a state employe's accumulated sabbatical leave or earned vacation leave
3 from the state employe's last year of service prior to retirement, or both. The
4 department shall apply the credits awarded under this paragraph for the payment
5 of health insurance premiums only after the credits awarded under par. (b) are
6 exhausted. This paragraph applies only to state employes who are eligible for
7 accumulated unused sick leave conversion under par. (b) and who are entitled to the
8 benefits under this paragraph pursuant to a collective bargaining agreement under
9 subch. V of ch. 111.

10 **SECTION 7.** 40.05 (4) (by) of the statutes is created to read:

11 40.05 (4) (by) 1. Employers shall pay contributions that are sufficient to pay
12 for the present value of the present and future benefits authorized under subch. IX.
13 Except as provided in subd. 2., the board shall annually determine the contribution
14 rate upon certification by the actuary of the department. The contribution rates
15 determined under this paragraph shall become effective on January 1 of the calendar
16 year in which they are applicable and shall remain in effect during that year.

17 2. Beginning on the effective date of this subdivision [revisor inserts date],
18 and ending on June 30, 1997, each employer shall pay contributions equal to the
19 dollar value of the credits awarded to its retired employes under subch. IX, as
20 determined and directed by the department. The board, upon certification by the
21 actuary, shall determine the contribution rate to be paid by employers for the period
22 beginning on July 1, 1997, and ending on December 31, 1997. In determining the
23 contribution rate for this period, the board shall consider any remaining unfunded
24 present and future liability for any benefits arising under subch. IX before July 1,
25 1997.

1 formal or informal agreement between the parties which is not a part of the official
2 copy is deemed to be approved by the legislature under this act.

3 **SECTION 10. Effective date.**

4 (1) This act takes effect on the day following publication, except that those
5 provisions specifically identified as having other effective dates in the agreement
6 covering employes in the clerical and related collective bargaining unit are effective
7 on the dates provided in that agreement.

8 (END)