



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

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CORRESPONDENCE MEMORANDUM

DATE: August 20, 2015
TO: Group Insurance Board
FROM: Tarna Hunter, Legislative Liaison
SUBJECT: 2015-17 Biennial Budget

On July 12, 2015, Governor Walker signed the 2015-17 biennial budget into law (2015 Act 55). The Department of Employee Trust Funds (ETF) has completed a review of the law and prepared a summary of the provisions that relate to the benefit programs that the Board oversees.

Group Insurance

- **Health Insurance Savings** – Directs the Group Insurance Board to work with the benefits consultant to make appropriate changes in order to realize \$81 million in efficiencies and savings over the biennium.
- **Child or Family Support Payments** – Currently, the Department of Children and Families (DCF) may assign child or family support obligations to Wisconsin Retirement System benefits. This bill extends that authority to ETF's Income Continuation Insurance (ICI) program and the Duty Disability program. Applies to ICI and Duty Disability benefits paid on or after July 14, 2015.
- **Employee Incentive to Opt-Out of State Health Insurance Program** – Provides a \$2,000 annual incentive for employees who opt out of the state health insurance program. Provides that the following state employees would not be able to receive a \$2,000 stipend: (a) any employee who opted-out in CY 2015; and (b) a state employee whose spouse or domestic partner is also a state employee and is covered by state group health insurance.

Reviewed and approved by Pam Henning, Assistant Deputy Secretary

Pamela L Henning

Electronically Signed:
8/20/15

Board	Mtg Date	Item #
GIB	8.25.15	8B

STAR Changes – Effective January 1, 2016

- Eliminate requirement that state and local government employees must be covered under the WRS for a period of 6 months in order to be eligible for life and income continuation insurance.
- Provides that employees electing to receive health care coverage or income continuation insurance within 30 days of eligibility have the coverage be effective on the first day of the month that first occurs during the 30-day election period, instead of receiving coverage effective on the first day of the month which begins on or after the date the employee's application for coverage is received by the employer.
- Employees would have 60 days instead of the current 30 days to elect income continuation insurance when initially eligible for a higher level of employer contribution towards premium cost. Effective the following April 1 for state employees. Effective the first day of the month following the date of eligibility instead of the first day of the month following the date the employee's application for coverage is received.

Staff will be available at the Board meeting to answer any questions.