



## 2013 ASSEMBLY BILL 23

February 15, 2013 – Introduced by Representatives THIESFELDT, NASS, LEMAHIEU, KAPENGA, KOOYENGA, T. LARSON, STROEBEL, CRAIG, BERNIER, STRACHOTA, STONE, KLEEFISCH and SANFELIPPO, cosponsored by Senators VUKMIR, GROTHMAN, HARRIS and PETROWSKI. Referred to Committee on Urban and Local Affairs.

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.

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### *Analysis by the Legislative Reference Bureau*

Currently, cities, villages, towns, counties, school districts, and technical college districts (local governments) provide health care benefits for their employees. Some also provide postretirement health care benefits for their employees.

This bill prohibits a local government from providing health care benefits to any employee hired on or after January 1, 2014, for use upon the employee's retirement, including compensated absences but excluding the implicit rate subsidy, unless the cost of the benefit is fully funded in a segregated account on an actuarial basis or other method that complies with generally accepted accounting principles.

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***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.** If the district board provides  
6             any health care benefits for use upon retirement, including compensated absences

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1 but excluding the implicit rate subsidy, to an employee hired on or after January 1,  
2 2014, the district board shall ensure that the cost of the benefits is fully funded in  
3 a segregated account on an actuarial basis or other method that complies with  
4 generally accepted accounting principles.

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

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

8 (2) If a political subdivision provides any health care benefits for use upon  
9 retirement, including compensated absences but excluding the implicit rate subsidy,  
10 to an employee hired on or after January 1, 2014, the political subdivision shall  
11 ensure that the cost of the benefits is fully funded in a segregated account on an  
12 actuarial basis or other method that complies with generally accepted accounting  
13 principles.

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

15 119.04 (1) Subchapters IV, V and VII of ch. 115, ch. 121 and ss. 66.0235 (3) (c),  
16 66.0603 (1m) to (3), 115.01 (1) and (2), 115.28, 115.31, 115.33, 115.34, 115.343,  
17 115.345, 115.363, 115.365 (3), 115.38 (2), 115.415, 115.445, 118.001 to 118.04,  
18 118.045, 118.06, 118.07, 118.075, 118.076, 118.10, 118.12, 118.125 to 118.14, 118.145  
19 (4), 118.15, 118.153, 118.16, 118.162, 118.163, 118.164, 118.18, 118.19, 118.20,  
20 118.223, 118.225, 118.24 (1), (2) (c) to (f), (6), (8), and (10), 118.245, 118.255, 118.258,  
21 118.291, 118.292, 118.293, 118.30 to 118.43, 118.46, 118.51, 118.52, 118.55, 120.12  
22 (2m), (4m), (5), and (15) to ~~(27)~~ (28), 120.125, 120.13 (1), (2) (b) to (g), (3), (14), (17)  
23 to (19), (26), (34), (35), (37), (37m), and (38), 120.14, 120.21 (3), and 120.25 are  
24 applicable to a 1st class city school district and board.

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

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1           120.12 **(28)** HEALTH CARE BENEFITS FOR RETIREES. If the school board provides  
2           any health care benefits for use upon retirement, including compensated absences  
3           but excluding the implicit rate subsidy, to an employee hired on or after January 1,  
4           2014, ensure that the cost of the benefits is fully funded in a segregated account on  
5           an actuarial basis or other method that complies with generally accepted accounting  
6           principles.

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**(END)**