

Wisconsin Act 59: Changes you should understand



EMPLOYEE BENEFITS: Compliance FYI

On September 23, 2017, the 2017-19 Biennial Budget Act (Wisconsin Act 59) was signed into law. There are two important issues that Wisconsin governmental entities should be aware of in regards to health insurance benefits offered to employees.

Elimination of Domestic Partner Coverage

It appears that local government units authorized under Wisconsin Statute Chapter 66 to offer health insurance coverage to their employees will no longer be able to offer coverage to domestic partners. “Local government units” include municipalities (cities, towns, villages), counties, school districts, technical colleges and “any other political subdivision of the state”. Wis. Stat. 66.0137(1). The effective date for the elimination of domestic partner coverage is different depending upon how employer-sponsored health insurance coverage is obtained. The two timelines are:

- **ETF plans:** Entities who currently offer health insurance obtained through the Wisconsin Department of Employee Trust Funds (ETF) or “state plan” will no longer be able to offer coverage to domestic partners effective January 1, 2018.
- **Outside ETF:** Entities who currently offer health insurance outside of the state plan through fully insured or self-funded programs will no longer be able to offer coverage to domestic partners effective April 1, 2018.

These changes are in Wis. Stat. 40.51(2m) and Wis. Stat 66.0137(5)(b). Please note that there are differing legal opinions on whether or not the full intent is to prohibit any Wisconsin governmental entity, regardless of whether or not it participates in the ETF “state plan”, from offering domestic partner benefits. Any governmental entity who currently offers domestic partner benefits should seek the advice of its own legal counsel.

Annual School District Health Insurance Report (Wis. Stat. § 120.12(24)(b))

The Act requires all Wisconsin school districts to file an annual health insurance report as part of school board duties outlined in **Wis. Stat. § 120.12**. The state budget originally proposed requiring school districts to impose a 12% minimum employee premium share requirement for offers of health insurance. While the premium share requirement for non-ETF plans was NOT enacted as part of the final Act, districts will be mandated to provide the Wisconsin Department of Administration (DOA) with information regarding each district’s health plan particulars.

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Wis. Stat. § 120.12(24)(b)) was newly created as part of the Act and requires school boards to provide the following:

- Health plan design
- Premium contributions
- Self-insurance contributions
- Employee cost-sharing (deductibles, copays, coinsurance, etc.)

DOA will provide further guidance regarding the mandated reporting at a later date.

Key Takeaway:

Wisconsin public entities should work with legal counsel to understand both changes to Wisconsin statutes, determine how they affect the administration of their health plans and make any appropriate changes to remain compliant with state law. All school districts should also watch for updates from the Wisconsin Department of Administration regarding the new reporting requirements.



The information in this Compliance FYI is a summary of laws and regulations relating to employee benefit plan compliance. This information should not be construed as legal advice. In all cases, employers should consult with their own legal counsel.

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