

OFFICE OF STATE EMPLOYMENT RELATIONS

- COMPENSATION & LABOR RELATIONS BULLETIN -

Date: August 1, 2011

Locator No: OSER-0282-CLR

Subject: Compensation Issues Related to Enactment of
2011 Wisconsin Act 10 and 2011 Wisconsin
Act 32

The purpose of this bulletin is to inform appointing authorities of the compensation issues related to 2011 Wisconsin Act 10 and 2011 Wisconsin Act 32 (the 2011-2013 budget bill). Specifically, it addresses the Acts' effect on employees' health insurance and Wisconsin Retirement System (WRS) contributions and new employee eligibility, as well as their effect on pay and benefits provisions that are no longer subject to collective bargaining. Except for health insurance and WRS contributions, the Act will not affect other provisions of the 2009-2011 Compensation Plan. In addition, the Act 10 effect on Board employees of the University of Wisconsin Hospital and Clinics (UWHC) will be addressed.

SECTION I. HEALTH INSURANCE PREMIUMS

Starting with deductions from paychecks on or after August 25, 2011, all subscribing employees will pay 2011 monthly premium contributions for health insurance as follows:

A. Craft-Related Employees

All represented and nonrepresented employees in craft-related classifications will continue to pay 100% of the total monthly premium for the health insurance coverage selected.

B. Teaching and Graduate Assistants

All employees of the Teaching Assistants' Association and the Milwaukee Graduate Assistants Association, and all nonrepresented graduate assistants will pay the following new tier rates:

	Employee Monthly Premium	
	<u>Single</u>	<u>Family</u>
Tier 1	\$42	\$104
Tier 2	\$61	\$153.50
Tier 3	\$113	\$283.50

C. State Patrol Titled Classifications

All employees in State Patrol titled classifications appointed to work 1,044 hours (half-time) or more will pay the following tier rates:

**Employee
Monthly Premium**

	<u>Single</u>	<u>Family</u>
Tier 1	\$31	\$78
Tier 2	\$69	\$173
Tier 3	\$164	\$412

NOTE: For the purposes of this bulletin, "State Patrol titled classifications" will include the following:

<i>State Patrol Trooper</i>	<i>State Patrol Lieutenant</i>
<i>State Patrol Trooper – Conf</i>	<i>State Patrol Captain</i>
<i>State Patrol Inspector</i>	<i>State Patrol Major</i>
<i>State Patrol Sergeant</i>	<i>State Patrol Colonel</i>

D. Employees Appointed to Less Than 1,044 Hours

Except as noted in A. and B., above, employees appointed to work less than 1,044 hours will continue to pay 50% of the total monthly premium.

E. Employees Appointed to Work 1,044 Hours or More

Except as noted in A., B., and C., above, all represented and nonrepresented employees appointed to work 1,044 hours or more will pay the following new tier rates:

**Employee
Monthly Premium**

	<u>Single</u>	<u>Family</u>
Tier 1	\$84	\$208
Tier 2	\$122	\$307
Tier 3	\$226	\$567

SECTION II. WRS EMPLOYEE-PAID CONTRIBUTIONS

- A. **State Patrol Titled Classifications Hired Prior to July 1, 2011.** Employees in State Patrol titled classifications who were already in employment status on July 1, 2011, will continue to pay WRS contributions at 0.8% of earnings. Employment status include employees in pay status, employees on approved leaves of absences, and employees on layoff but eligible for continuous service during the layoff period upon return to state service.

In accordance with Act 32, new employees in State Patrol titled classifications hired on or after July 1, 2011, will pay WRS contributions in accordance with B., below.

“New” public safety employees include:

- Individuals new to state government;
- Individuals who leave state service and later reinstate;
- Individuals who were non-public safety employees and become public safety employees.

The following individuals would *not* be considered “new”:

- Individuals who move within the public safety classifications (listed in C.2., above) from represented to nonrepresented or the reverse;
- Individuals who are restored to state service or return from a leave of absence, *only* if *both* the position last held *and* the position restored to are in one of the public safety classifications.

B. **All Other Employees.** Act 10 requires that all WRS participating employees in the general and executive (including elected officials) categories pay one-half of the total required WRS contribution. It also states that employees in the protective category, except employees covered in A., above, will pay the same percentage contribution as general category employees. Therefore, starting with payroll deductions on or after paychecks dated August 25, 2011, employee-paid WRS contributions will be 5.8% of earnings for all general and protective category employees (excluding employees covered in A., above), and all executive category employees (including elected officials) will have employee contributions equal to 6.65%.

C. **‘Pre-Tax’ Contributions.** Act 32 also provides that all employee-paid WRS contributions will be ‘pre-tax’ with implementation to begin as soon as administratively feasible.

SECTION III. LIMITED TERM EMPLOYEE (LTE) HEALTH INSURANCE AND WRS COVERAGE

The Acts do not affect the benefit eligibility of LTEs hired before July 1, 2011. LTEs hired on or after July 1, 2011, will be subject to the changes described in Section IV, below. LTEs shall continue to be treated the same as previously for health insurance and WRS purposes, except that they will be subject to the same contribution changes applying to permanent employees as described in this bulletin.

SECTION IV. WRS AND HEALTH INSURANCE ELIGIBILITY CHANGES

Act 32 requires that all employees “initially employed on or after July 1, 2011”, must be expected to work at least 1,200 hours to be considered a participating WRS employee. Because employee participation in group health insurance is contingent on WRS participation, this also affects eligibility for such coverage.

In addition, Act 32 requires employees “initially employed on or after July 1, 2011”, to have at least five full years of WRS creditable service to vest the WRS employer contribution.

NOTE: The Department of Employee Trust Funds (ETF) has determined “initially employed on or after July 1, 2011” to include any individual having no prior employment with any WRS employer. See the ETF employer information regarding Acts 10 and 32 on the ETF website for more details:
http://etf.wi.gov/news/Act_10_Employer_Communications.pdf

SECTION V. OTHER REPRESENTED PAY AND BENEFIT PROVISIONS

Under the Act 10 changes to Chapter 111, Wis. Stats., State Patrol Troopers and State Patrol Inspectors will continue to bargain wages and benefits. Until such time as a successor collective bargaining agreement is implemented, all other current wage and benefit provisions will remain in effect.

Bargaining for all represented employees other than State Patrol Troopers and State Patrol Inspectors will be limited to “total base wages” per s. 111.91(3), Wis. Stats. However, nonstatutory language in the Act allows the OSER Director to continue administration of the previous collective bargaining agreements. The wage and benefit provisions of the previous collective bargaining agreements, except the required insurance premiums and WRS contribution rates already described in Sections I and II, above, will be continued until further notice.

SECTION VI. UWHC BOARD EMPLOYEES

Upon enactment of Act 10, all UWHC Board employees are transferred to the UWHC Authority. As part of the Authority, they will no longer be considered state employees. Therefore, the ability to demote or promote will no longer exist, but these employees will be eligible to reinstate to state classified positions for five years from the enactment date of June 29, 2011. UWHC has provided OSER with a “snapshot” of Board employee data at the time of the transfer so reinstatement eligibility, pay, and sick leave restoration can be determined if a former Board employee applies for a classified position at another state agency.

SECTION VII. REFERRAL OF QUESTIONS**Employee Questions:**

Employees with questions regarding the contents of this bulletin should contact their agency Human Resources or Payroll Office directly.

Employer Questions:

Employer questions regarding the contents of this bulletin should be directed to Paul Ostrowski by phone at (608) 267-0343 or by e-mail at paul.ostrowski@wisconsin.gov, or Lynn Maulbetsch by phone at (608) 267-5164 or by e-mail at lynn.maulbetsch@wisconsin.gov.

Employer questions regarding *payroll processing* should be directed to the appropriate payroll center:

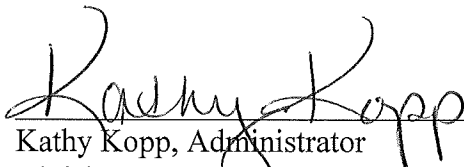
DOA Central Payroll:

Shelley Schwartz at (608) 264-9571; or

Deb Emerson at (608) 266-9950

UW-Processing Center:

Payroll and Financial Services (608) 262-3558


Kathy Kopp, Administrator
Division of Compensation and Labor Relations