

Bills and State Initiatives Worth Following in Fall 2017 and Winter 2018

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Equal Pay and Gender Equity Bills

Senate Bill 140 and Assembly Bill 212: Allows a person who was "discriminated against or who was subjected to unfair honesty or genetic testing to bring an action in circuit court in addition to or in lieu of filing an administrative complaint." Allows the circuit court to award back pay and any other relief that could have been awarded in an administrative proceeding. Allows circuit court to order the defendant to pay compensatory and punitive damages.

Senate Bill 142 and Assembly Bill 213: Prohibits an employer from 1) relying on or soliciting information about the prospective employee's current or prior compensation, 2) requiring that the prospective employees current or prior compensation meet certain criteria in order for the prospective employee to be considered for employment, and 3) refusing to hire the prospective employee for exercising his/her rights related to compensation information. Protects current employees from being discharged or discriminated against if details of compensation are revealed to others.

Wisconsin Retirement System (WRS) Bills

Senate Bill 302 and Assembly Bill 403: Establishes a framework to allow private sector employees and residents the opportunity to participate in a private retirement security plan with features similar to those of the Wisconsin Retirement System. Specifically, it creates a Private Retirement Security Board who first conducts a feasibility study of creating such a plan with the holding of hearings. Should the study prove positive, the Board then recommends a plan that is built in cooperation with the State of Wisconsin Investment Board. Funds of the private plan would NOT be mixed with those of the WRS. Reasonable fees can be charged for those wanting to participate in the plan.

Senate Bill 190 and Assembly Bill 324: These bills change conditions of access and use of the Wisconsin Retirement System and have been around in various forms for two previous legislative cycles. These bills increase the retirement age for WRS eligibility from 55 to 60 years for general participants and 50 to 52 years for protective participants. The minimum retirement age is NOT changed for those participating employees before the effective date of the bill. The bills also modify the formula method for calculating a participant's retirement annuity by calculating the participant's final average earning using the participant's five highest annual earning years rather than three highest earning years. The bill does NOT change the formula method for calculating an annuity if the participant was a participating employee

before the effective date of the bill. NOTE: Calculations have shown that changing the formula method from 3 to 5 years decreases annual annuities around 5%.

State Group Health Program Changes vis-à-vis Employee Trust Funds:

Owing in large part to the presence of a nationally-known, aggressive group health consultant, Segal Consulting, Employee Trust Funds (ETF) has been proposing a number of new initiatives that are at minimum of questionable value to both active and retired public employees and at worst a cynical attempt to save money for the State as they reduce benefit values to both active and retired employees.

****Self-Insurance and 2018 Group Health Plan :** Self-insurance (self-funding) was rejected by the Joint Finance Committee in late spring, but, in the wake of this rejection, some changes are now coming to the 2018 Group Health Plan. Foremost among them is the loss of eight HMO health carriers who no longer want to compete in Wisconsin. What this means for premiums, benefits, deductibles etc. for the 250,000 Group Plan users remains unclear at this time. Wisconsin has been nationally-known for managing a highly competitive, county-based HMO system (formerly 17 carriers competed), but that reputation now appears to be in doubt.

****Protecting Personal Health Information and State Wellness Program:** Wisconsin is now managing the State Wellness program through a new vendor, StayWell. While wellness is a wonderful concept, POWRS has discovered that signing up for the wellness program brings a major danger: compromising of HIPPA-level personal health information. It turns out that participation requires "waiving" certain HIPPA information and disclosing other information. Also, the new state data warehouse manager, Truven Health, has direct connections with Watson Health, a mega-health data collector and analyzer. POWRS is suggesting to CAREFULLY "look before you leap". Potentially compromising your personal health information for the small incentive package offered by StayWell may just not be worth it!

****State Medicare Advantage Program Changes:** From the start, Segal Consulting believed that active employees approaching Medicare age (65) and WRS annuitants could be better served by the State. While improvements are clearly possible, there remain hidden dangers, (e.g. forcing annuitants to use the state vendor, state access to banked sick-time accounts, exposure to the excessive flexibility of Medicare Advantage programs) and therefore it is wise to proceed cautiously. In August, ETF announced that it is sending out a survey to annuitants (and hopefully some active employees near 65) to seek advice on what health benefits they desire JUST AS THEY seek potential Medicare Advantage vendors for 2019 and beyond. POWRS has not seen the survey, but we must make sure that ETF follows the advice provided by hopefully hundreds of annuitants. PLEASE respond to the survey if you receive it!

POWRS (Protect Our Wisconsin Retirement Security) is an activist group of volunteers who works to protect the Wisconsin Retirement System and seek retirement security for all. Follow us on Facebook at "POWRS".