

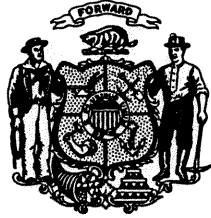
WISCONSIN LEGISLATIVE COUNCIL STAFF

LCRC
FORM 2

RULES CLEARINGHOUSE

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CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 00-062

AN ORDER to renumber ETF 10.60 (2) and (3); and to create ETF 10.60 (2), relating to electronic reporting for the Wisconsin retirement system.

Submitted by **DEPARTMENT OF EMPLOYE TRUST FUNDS**

03-28-00 RECEIVED BY LEGISLATIVE COUNCIL.

04-24-00 REPORT SENT TO AGENCY.

RNS:GAA:rv;tlu

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

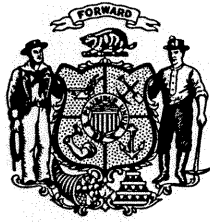
Comment Attached YES NO

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CLEARINGHOUSE RULE 00-062

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

- a. The first SECTION of the rule is incorrectly numbered as SECTION 2, rather than SECTION 1.
- b. In all three treatment clauses, "Section" should be deleted. Also, in the treatment clauses for SECTIONS 2 (the second one) and 3, "to" should be deleted.

State of Wisconsin
DEPARTMENT OF EMPLOYE TRUST FUNDS -- OFFICE OF THE SECRETARY
and
EMPLOYE TRUST FUNDS BOARD
WISCONSIN RETIREMENT BOARD
TEACHER RETIREMENT BOARD

Clearinghouse Rule #CR

PROPOSED RULE: Creating s. ETF 10.60 (2); renumbering s. ETF 10.60 (2) and (3), Wisconsin Administrative Code, relating to electronic reporting for the Wisconsin Retirement System.

NOTICE OF HEARING AND PROPOSED RULE

NOTICE OF HEARING

The Wisconsin Department of Employee Trust Funds will hold a public hearing to review this proposed rule, which renumbers s. ETF 10.60 (2) and (3), and creates s. ETF 10.60 (2), Wisconsin Administrative Code, relating to electronic reporting for the Wisconsin Retirement System in accordance with the provisions of s. 227.16 (1), Wisconsin Statutes. The public hearing will be held on Monday, May 1, 2000 at 9:00 a.m. in room 2B, 801 West Badger Road, Madison, Wisconsin.

The public record on this proposed rule making will be held open until 4:30 p.m. on Friday, May 5, 2000 to permit the submission of written comments from persons unable to attend the public hearing in person, or who wish to supplement testimony offered at the hearing. Any such written comments should be addressed to Mary Hensen, Department of Employee Trust Funds, 801 West Badger Road, P.O. Box 7931, Madison, Wisconsin 53707-7931.

Analysis Prepared by the Wisconsin Department of Employee Trust Funds

Currently, Wis. Admin. Code s. ETF 10.60 (2) states "The secretary may, for specified employers or types of coverage, provide for summary reporting on a monthly basis to accompany the monthly remittance required in sub. (1) (b), and detailed reporting on a quarterly, semiannual, or annual basis."

The above rule does not spell out the manner in which employers should report their annual employe detail to the Wisconsin Retirement System (WRS). Currently, many large employers participating in the WRS continue to report annual detail transactions on paper. This is an inefficient use of time and due to keying errors, can result in participant account errors, which must be corrected at a later date.

This requirement for electronic reporting is similar to that of the Internal Revenue Service (IRS), which requires employers having more than 250 employes to report earnings information on an electronic basis.

(BEGINNING OF RULE TEXT)

SECTION 2. ¹ ³ ~~Section~~ ETF 10.60 (2) is created to read:

ETF 10.60 (2) Every employer which employs 250 or more employes shall submit the detailed annual earnings report required in the administration of subch. II of ch. 40, Stats., in an electronic format designated by the department.

SECTION 2. ~~Section~~ ETF 10.60 (2) is renumbered ~~to~~ ETF 10.60 (3).

SECTION 3. ~~Section~~ ETF 10.60 (3) is renumbered ~~to~~ ETF 10.60 (4).

(END OF RULE TEXT)

General Summary of Rule. The rule requires employers with 250 or more employes to submit WRS detailed annual earnings reports electronically.

Authority for Rule. Wis. Stat. § 40.03 (1) (m) and (2) (i).

Initial Fiscal Estimate. The Department estimates that there will be no direct fiscal impact from this proposed rule upon the state or sewerage districts. The Department anticipates some effect upon the fiscal liabilities or revenues of certain counties, cities, villages, towns, school districts, vocational, technical and adult education school districts. We are aware that there are between 35 and 40 employers out of 241 employers with 250 or more employes that may possibly have a fiscal impact as a result of this rule.

Initial Regulatory Flexibility Analysis. The Department anticipates that the provisions of this proposed rule will have no direct adverse effect on small businesses.

Copies of Rule and Contact Persons. Copies of this rule are available without cost by making a request to the Department of Employee Trust Funds, Office of the Secretary, P.O. Box 7931, Madison, Wisconsin 53707-7931, telephone (608) 267-2929. For questions about this proposed rule, please call Mary Hensen, Program & Policy Analyst, (608) 266-8411.

Proposed Effective Date: This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in Wis. Stat. § 227.22 (2) (intro.).

Approved for publication: This proposed rule is approved for submission to the Legislative Council Staff for review under Wis. Stat. § 227.15, and for submission to the Revisor of Statutes under Wis. Stat. § 227.17.

Signed at Madison, Wisconsin this 27th day of March 2000.

WISCONSIN DEPARTMENT OF EMPLOYEE TRUST FUNDS

Eric O. Stanchfield
Eric O. Stanchfield, Secretary



STATE OF WISCONSIN

JUN 29 2000

Department of Employee Trust Funds

Eric O. Stanchfield
Secretary
801 West Badger Road
P.O. Box 7931
Madison, WI 53707-7931

June 29, 2000

THE HONORABLE JUDITH ROBSON, CO-CHAIR
JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES
STATE SENATE
15 SOUTH, STATE CAPITOL
MADISON WI 53702

Re: CR # 00-062 relating to electronic reporting for the WRS

Dear Senator Robson:

In accordance with Wis. Stats. § 227.19 (2), I am enclosing a copy of this proposed rule in final draft form. The report required under Wis. Stats. § 227.19 (3) is also enclosed.

Sincerely,

Pam Henning, Director
Legislation and Planning
(608) 267-2929
FAX (608) 267-0633

Enclosure

**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYE TRUST FUNDS, EMPLOYE TRUST FUNDS BOARD
TEACHERS RETIREMENT BOARD, AND WISCONSIN RETIREMENT BOARD**

FINAL DRAFT REPORT ON CLEARINGHOUSE RULE #00-062

A RULE creating s. ETF 10.60 (2); renumbering s. ETF 10.60 (2) and (3), Wisconsin Administrative Code, relating to electronic reporting for the Wisconsin Retirement System.

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Agency Person to be Contacted for Questions

For information about this rule, please contact: Mary Hensen, Program and Planning Analyst, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931. Telephone: (608) 266-8411. FAX: (608) 267-4549.

Statement Explaining Need for Rule

The Department of Employee Trust Funds is required by Wis. Stats. § 227.10 (1) to promulgate as a rule each interpretation of a statute which it specifically adopts to govern its enforcement or administration of that statute. The rule spells out the manner in which employers should report their annual employee detail to the Wisconsin Retirement System by requiring every employer which employs 250 or more employees to submit the detailed annual earnings report electronically to the Department of Employee Trust Funds. This method of reporting will streamline the Department's processing of annual detail reports, reduce the number of participant account discrepancies due to keying errors, and reduce the cost associated with contracting with private vendors for the keying of paper reports. This rule will also reduce the amount of time spent by internal staff and WRS employers in identifying and resolving discrepancies in participant accounts due to keying errors.

Analysis Prepared by the Wisconsin Department of Employee Trust Funds

Authority for Rule: Wis. Stats. § 40.03 (1) (m), and (2) (g), (h) and (i)

Statutes Interpreted: Wis. Stats. § 40.06 (1), (2) and (3)

Currently, Wis. Admin. Code s. ETF 10.60 (2) states "The secretary may, for specified employers or types of coverage, provide for summary reporting on a monthly basis to accompany the monthly remittance required in sub. (1) (b), and detailed reporting on a quarterly, semiannual, or annual basis."

The rule does not spell out the manner in which employers should report their annual employee detail to the Wisconsin Retirement System (WRS). Currently, many large employers participating in the WRS continue to report annual detail transactions on paper. This is an inefficient use of time and due to keying errors, can result in participant account errors, which must be corrected at a later date.

This requirement for electronic reporting is similar to that of the Internal Revenue Service (IRS), which requires employers having more than 250 employees to report earnings information on an electronic basis.

Fiscal Estimate

The Department estimates that there will be no direct fiscal impact from this proposed rule upon the state or sewerage districts. The Department anticipates some effect upon the fiscal liabilities or revenues of certain counties, cities, villages, towns, school districts, vocational, technical and adult education school districts. We are aware that there are between 35 and 40 employers out of 241 employers with 250 or more employes that may possibly have a fiscal impact as a result of this rule.

Final Regulatory Flexibility Analysis

The Department anticipates that the provisions of this proposed rule will have no direct adverse effect on small businesses.

(BEGINNING OF RULE TEXT)

SECTION 1. ETF 10.60 (2) is created to read:

ETF 10.60 (2) Every employer which employs 250 or more employes shall submit the detailed annual earnings report required in the administration of subch. II of ch. 40, Stats., in an electronic format designated by the department.

SECTION 2. ETF 10.60 (2) is renumbered ETF 10.60 (3).

SECTION 3. ETF 10.60 (3) is renumbered ETF 10.60 (4).

(END OF RULE TEXT)

Effective Date

This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in Wis. Stat. § 227.22 (2) (intro.).

Explanation of Modifications as Result of Testimony at Public Hearing

No testimony was offered at the public hearing. The only modifications made to the text of the rule were in response to the recommendations of the Legislative Council Staff.

List of Persons Appearing or Registering For or Against the Rule

No persons appeared or registered either for or against the rule at the public hearing on May 1, 2000. The record was held open for written comments until 4:30 p.m. on May 5, 2000, but no comments were received. Two e-mail messages were received from employers prior to the public hearing and these comments were taken into consideration.