

## Report From Agency

Rules Clearinghouse No. 13-106

Proposed Final Draft Rule  
March 10, 2014

### PROPOSED ORDER OF THE WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT AMENDING, CREATING, AND ADOPTING RULES

2 The Wisconsin department of workforce development proposes the following order *to repeal*  
3 DWD 111.07 and 132.03; *to renumber* DWD 140.001 (2) (a), *to amend* DWD 113.01 (1)  
4 (intro.), 115.07 (2) (a) and 140.001 (1) and (2) (intro.); and *to create* DWD 113.01 (1) (c),  
5 113.025, ch. DWD 114, 140.001 (2) (ag) and (am), and 140.22; *relating to* quarterly wage  
6 reporting, settlement of disputes and compromise of liabilities, license revocation and financial  
7 record matching, business transfers, determining eligibility of benefits, unemployment insurance  
8 appeals and small business.

#### Analysis Prepared by the Department of Workforce Development

##### *Statutes Interpreted*

Statutes Interpreted: Ch. 108, Stats.

##### *Statutory Authority*

Statutory Authority: ss. 108.14 (2) and (26), 108.22 (1) (cm), and 108.227 (1m), Stats.

##### *Explanation of Statutory Authority*

The Department of Workforce Development (DWD) has specific and general authority to establish rules interpreting and clarifying provisions of ch. 108, Stats., unemployment insurance (UI) and reserves. Under s. 108.14 (2), Stats., DWD may adopt and enforce all rules necessary or suitable to carry out ch. 108, Stats. 2013 Wisconsin Act 20 (Act 20) and 2013 Wisconsin Act 36 (Act 36) granted additional statutory authority for the promulgation of rules including:

- Section 108.14 (26), Stats., instructs DWD to prescribe by rule a standard affidavit form that may be used by parties involved in UI administrative appeals.

- Section 108.22 (1) (cm), Stats., allows DWD to waive or decrease the interest charged to employers due to delinquent payment of UI taxes in limited circumstances as prescribed by administrative rule.
- Section 108.227 (1m), Stats., instructs DWD to promulgate rules regarding certification of a person delinquent for UI contributions whose license or credential is to be denied, not renewed, discontinued, suspended or revoked.

### ***Related Statutes or Rules***

Chapter 108, Stats., governs the state's unemployment insurance system and the related rules are chs. DWD 100, 111, 113, 115, 132, and 140.

### ***Plain Language Analysis***

DWD is proposing to amend chs. DWD 111, 113, 115, 132, and 140 and create ch. DWD 114. Amendments to these chapters, and the creation of ch. DWD 114 are necessary to align DWD's administrative rules to the changes under ch. 108, Stats., enacted under Act 20 and Act 36.

DWD is proposing amendments to the following:

#### **Quarterly Wage Reporting**

- Under ch. 108, Stats., employers are required to file a quarterly wage report with DWD. If an employer files a late quarterly wage report, s. DWD 111.07 details the process used in assessing a penalty against the employer and the amount of the penalty. The provisions with respect to the amount and process of assessing a penalty against the employer who files a tardy quarterly wage report are now set forth in s. 108.22, Stats., as a result of Act 36. Section DWD 111.07 should be repealed.

#### **Settlement of Disputes and Compromise of Liabilities**

- Chapter DWD 113 establishes standards for the settlement of disputes between the department and parties to determinations, decisions or actions and the compromises of liabilities for contributions, reimbursements in lieu of contribution, interest penalties and costs assessed under ch. 108, Stats. Act 36 permits DWD to waive or decrease the interest charged to an employer in limited circumstances as prescribed by administrative rule.

#### **Business Transfers**

- Successorship occurs when all or a portion of the former owner's UI account is transferred to the new owner due to a transfer of all, or a portion of the business. There are both mandatory and optional provisions for successorship. Act 36 provides that DWD may accept an

optional successorship application that is filed late as a result of excusable neglect. DWD shall not accept a late application for successorship more than 90 days after the due date, regardless of whether there is excusable neglect for the application being late. The amendments to ch. DWD 115, which regulates business transfers, make the rule consistent with the provisions of Act 36.

### **Determining Eligibility for Benefits**

- The law provides that under certain circumstances, employees may be eligible for benefits even though they voluntarily quit their job. One circumstance involves an employee who terminates part-time employment because loss of the employee's full-time employment makes it economically unfeasible for the employee to continue the part-time employment. Act 20 repealed this exception which was contained in s. 108.04 (7) (k), Stats. Section DWD 132.03 solely clarified the provisions of s. 108.04 (7) (k), Stats., and should be repealed.

### **Unemployment Insurance Appeals**

- Act 36 instructs the department to create a standard affidavit form that may be used by both claimants and employers during UI administrative appeals. Procedures regarding appeals are contained in ch. DWD 140 and DWD will prescribe the rules with respect to use of the standard affidavit form within this chapter.

DWD is proposing the creation of the following:

### **License Revocation and Financial Record Matching**

- Act 36 requires various state agencies and boards (licensing departments) that issue various licenses and other credentials (licenses) to revoke a license or deny an application for a license if DWD certifies that the license holder or applicant owes DWD delinquent UI taxes. The creation of ch. DWD 114 provides procedures for persons whose license or credential is to be denied, not renewed, discontinued, suspended or revoked based on being certified delinquent in paying UI contributions. Act 36 requires DWD to promulgate rules for the process to deny or revoke a license based on delinquent UI taxes.
- Act 36 authorized DWD to operate a financial record matching program. The creation of ch. DWD 114 creates proposed rules that are consistent with the requirements used by other state agencies operating a similar financial record matching program.

### ***Summary of, and comparison with, existing or proposed federal statutes and regulations***

Unemployment insurance was initiated on a national basis in the United States as Title III and Title IX of the Social Security Act of 1935 and is a Federal-State coordinated program. Each state administers its own program within national guidelines promulgated under federal law. As a condition of a state receiving its unemployment compensation administrative grant, 42 USC 503 (a) provides that the Secretary of the Department of Labor must find that the law of the state

includes certain requirements. With respect to these rules, 42 USC 503 (a) (3) provides that state laws grant an opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment insurance are denied.

*Comparison with rules in adjacent states*

**Waiving or Decreasing Interest Charged to Employers Delinquent in Paying UI Tax**

<b>Illinois</b>	<p>The Director of Employment Security is authorized to waive the payment of all or part of any interest and penalty upon proper application and showing of good cause. <b>(Sections 1401 and 1402)</b></p> <p>Good cause has been defined by Department rule to consist of any or all of the following:</p> <ul style="list-style-type: none"> <li>(a) Where the delay was caused by the death or serious illness of the employer or a member of his immediate family, or by the death, or serious illness of the person in the employer’s organization responsible for the preparation and filing of the report or for making the payment.</li> <li>(b) Where the delay was caused by the destruction of the employer’s business records by fire or other casualty without fault.</li> <li>(c) Where the Department, in its written communication or through a specifically identified employee in oral communication directed to a specific employer account, affirmatively misled the employer as to its duties and obligations such that the charging of interest to the employer would violate the principle of equitable estoppel.</li> <li>(d) For the purposes of waiver of interest only: Where the employer relied to its detriment on a certificate issued by the Director pursuant to Section 2600 of the Act and the Director agrees, at a later date, that the certificate was issued in error, such waiver shall be granted from the date the erroneous certificate was issued to a date 30 days after notice that the original certificate was in error.</li> </ul> <p>Interest can also be waived according to Department rule whenever the employer can demonstrate extreme financial hardship and files with the Director a repayment agreement. However, the waiver in this instance only applies to additional interest that would have accrued during the period of the repayment agreement. <b>(56 Ill. Adm. Code Section 2765.65)</b></p>
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	<p>The Director will waive interest for a nonprofit organization or for a local governmental entity, if:</p> <ul style="list-style-type: none"> <li>(a) The organization or entity had never filed any of the reports or forms required of it under the Act; and</li> <li>(b) It had not been determined to be the “chargeable employer” as result of the filing of an unemployment insurance claim; and</li> <li>(c) Its chief operating officer files an affidavit with the Director in which he states that, upon learning of the organization or entity’s liability under the Act, he took immediate action to bring the organization or entity into compliance. <b>(56 Ill. Adm. Code 2765.70)</b></li> </ul>
<b>Indiana</b>	<p>Indiana's Unemployment Insurance employer handbook states that "Delinquent employers should either pay the amount due, or contact the Indiana Department of Workforce Development as soon as possible to discuss payment options. Payment agreements are available to any employer that needs to arrange for payment over-time that has not previously defaulted on a payment agreement." There is no discussion of waiving or decreasing the interest owed by employers who are delinquent in paying unemployment insurance taxes.</p>
<b>Iowa</b>	<p>Chapter 96 of the Iowa Code does not include provisions for the waiver or forgiveness of interest charged to an employer who is delinquent in paying unemployment insurance taxes.</p>
<b>Michigan</b>	<p>Section 15 (b) of the Michigan Employment Security Act requires the Unemployment Insurance Agency to bill an employer for delinquent unemployment insurance taxes and to charge interest. The law does not include provisions to enable the agency to waive or decrease this interest once it is charged.</p>
<b>Minnesota</b>	<p>Minnesota statutes at section 268.067 states:</p> <ul style="list-style-type: none"> <li>(a) The commissioner of employment and economic development may compromise in whole or in part any action, determination, or decision that affects only an employer and not an applicant. This paragraph applies if it is determined by a court of law, or a confession of judgment, that an applicant, while employed, wrongfully took from the employer \$500 or more in money or property.</li> <li>(b) The commissioner may at any time compromise any unemployment insurance tax or reimbursement due from an employer under this chapter or Minnesota's Special Assessment for Interest owed to the federal government.</li> </ul>

	<p>(c) Any compromise involving an amount over \$10,000 must be authorized by an attorney licensed to practice law in Minnesota who is an employee of the department designated by the commissioner for that purpose.</p> <p>(d) Any compromise must be in the best interest of the state of Minnesota.</p>
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**Revoke or Deny an Application for Licenses Based on Delinquent UI Contributions**

<b>Illinois</b>	Illinois' unemployment insurance administrative code does not authorize the Illinois unemployment insurance agency to revoke or deny an application for an employer's license based on delinquent UI contributions.
<b>Indiana</b>	Indiana's unemployment insurance law does not authorize the Indiana unemployment insurance agency to revoke or deny an application for an employer's license based on delinquent UI contributions.
<b>Iowa</b>	Iowa's unemployment insurance law does not authorize the Iowa unemployment insurance agency to revoke or deny an application for an employer's license based on delinquent UI contributions.
<b>Michigan</b>	Michigan's unemployment insurance law does not authorize the Michigan unemployment insurance agency to revoke or deny an application for an employer's license based on delinquent UI contributions.
<b>Minnesota</b>	The state of Minnesota or a political subdivision may not issue, transfer, or renew, and must revoke a license for the conduct of any profession, trade, or business, if the commissioner notifies the licensing authority that the licensee, applicant, or employer owes unemployment insurance contributions of \$500 or more. A licensing authority that has received a notice may issue, transfer, renew, or not revoke the license only if the licensing authority has received a copy of the debt clearance certificate. <b>(M.S.A. § 268.0625 (Subdivision 1))</b>

## Creation of Standard Affidavit for UI Administrative Appeal Hearings

<p><b>Illinois</b></p>	<p>Illinois does not direct its unemployment insurance agency to create a standard affidavit for unemployment insurance administrative appeal hearings.</p> <p>A review of Illinois' unemployment insurance agencies document entitled Preparing for your Appeal Hearing only references affidavits by stating "Any document submitted in evidence must be supported by testimony from a person at the hearing who has direct knowledge of the document's contents. For example, third party affidavits or test results without someone who can testify as to their meaning or validity cannot overcome direct testimony from the opposing party. Likewise, business records must be supported by testimony during the hearing."</p>
<p><b>Indiana</b></p>	<p>Indiana does not indicate that it provides parties with a standard affidavit to be used in UI appeals heard before administrative law judges.</p> <p>Indiana Code 22-4-17-6 (a) provides "Sec. 6. (a) The manner in which disputed claims shall be presented and the conduct of hearings and appeals, including the conduct of administrative law judges, review board members, and other individuals who adjudicate claims during a hearing or other adjudicative process, shall be in accordance with rules adopted by the department for determining the rights of the parties, whether or not the rules conform to common law or statutory rules of evidence and other technical rules of procedure."</p> <p>Indiana Code 22-4-17-7 provides "Sec. 7. In the discharge of the duties imposed by this article, any member of the board, the department, the review board, or an administrative law judge, or any duly authorized representative of any of them, shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue and serve subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with the disputed claim or the administration of this article."</p>
<p><b>Iowa</b></p>	<p>Iowa does not use a standard affidavit for UI appeals.</p>
<p><b>Michigan</b></p>	<p>Michigan does not utilize a standard affidavit to be used by parties for UI appeals. Referees, who conduct the hearings, shall accept competent, relevant, and material evidence.</p>
<p><b>Minnesota</b></p>	<p>Section 268.105 (b) of the Minnesota statutes provides that affidavits may be used in unemployment insurance appeals as competent evidence of the facts contained in it, but does not provide that the Minnesota unemployment insurance agency shall create a standard affidavit to be used in the hearings.</p>

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*Summary of factual data and analytical methodologies*

This rule does not depend on any complex analysis of data. Instead, the changes to the rules are required by recent legislative enactments and represent common sense amendments that will assist employers in their dealings with the UI system.

*Analysis and supporting document used to determine effect on small business or in preparation of an economic impact analysis*

This rule will have a positive impact on employers by allowing DWD flexibility with problems encountered by employers within the UI system due to inadvertent mistakes.

*Effect on small business*

The rule modifications impacting small businesses will ease program requirements and likely reduce costs for small businesses. The small businesses that may be affected by this rule include the following:

- **Small Businesses that are Delinquent in Paying UI Taxes:**

1. DWD charges interest if an employer is delinquent in paying UI taxes. In limited circumstances, Act 36 grants DWD the authority to waive or decrease the interest charged to employers who are late in paying their UI taxes, but provides that DWD shall prescribe rules to exercise this authority. Thus, the rules will specify when all businesses, including small businesses, may be eligible for a waiver or reduction in interest charged to them as a result of their being delinquent in paying UI taxes.
2. Act 36 requires various state agencies and boards (licensing departments) that issue various licenses and other credentials (licenses) to revoke a license or deny an application for a license if DWD certifies the license holder or applicant owes UI contributions. Act 36 provides that this collection tool may be used to collect UI contributions for which the employer has exhausted all legal rights to challenge the employer's liability. Act 36 also requires DWD to promulgate rules with respect to the process DWD will follow when it uses this collection tool.

- **Small Businesses involved in UI Administrative Appeals:**

Act 36 directs DWD to prescribe rules regarding the use of a standard affidavit form that may be used by parties, including small businesses, in UI administrative appeals. Act 36 requires DWD to create a standard affidavit form in order to ease the burden encountered by employers involved in a UI appeal. Employers and claimants will have discretion in whether or not to use these forms when involved in a UI administrative appeal. The standard affidavit form may be

used by small business owners to reduce staff time and other resources associated with UI appeals.

***Agency contact person***

Questions and comments related to this rule may be directed to:

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***Place where comments are to be submitted and deadline for submission***

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A public hearing was held on January 21, 2014, and public comments were accepted until January 31, 2014.

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- 1           **SECTION 1.** DWD 111.07 is repealed.
- 2           **SECTION 2.** DWD 113.01 (1) (intro.) is amended to read:
- 3           DWD 113.01 (1) ~~As required under s. 108.10 (8), Stats., this~~ This chapter establishes
- 4 standards for the following circumstances:
- 5           **SECTION 3.** DWD 113.01 (1) (c) is created to read:
- 6           DWD 113.01 (1) (c) In limited circumstances, waiving or decreasing the interest charged
- 7 under s. 108.22 (1) (a) or 108.17 (2c) (c), Stats.
- 8           **SECTION 4.** DWD 113.025 is created to read:

1           **DWD 113.025 Waiver of interest.** (1) Except as provided in s. DWD 113.02 or 113.03,  
2 the department may grant a waiver or decrease of interest owed by an employer if the employer  
3 satisfies all of the following conditions:

4           (a) The employer pays the full payment of any taxes and assessments due within 30 days  
5 following resolution of all issues. Until the employer pays all of the correct amount of taxes and  
6 assessments due, the department may not waive or decrease any of the interest owed by the  
7 employer.

8           (b) The employer files any wage or tax report due within 30 days following resolution of  
9 all issues. Until the employer files all of the wage or tax reports that are due, the department  
10 may not waive or decrease any of the interest owed by the employer.

11           (c) The employer has no other outstanding reports, contributions, interest, penalty or  
12 other fees due.

13           (d) The employer was determined within the last year to be subject to Wisconsin  
14 unemployment insurance law or has a history of timely filing required reports, including wage  
15 and tax reports, and of making payments in a timely manner.

16           (e) The employer or a business for which the employer is a successor, pursuant to the  
17 requirements of s. 108.16 (8), Stats., has never previously received a waiver or decrease in  
18 interest charged under s. 108.22 (1) (a) or 108.17 (2c) (c), Stats.

19           (f) There has not been a hearing before an administrative law judge on an appeal under  
20 s. 108.10, Stats., regarding the tax liability associated with the interest.

21           (2) If all of the conditions of sub. (1) are satisfied, the department may waive or decrease  
22 the interest charged under s. 108.22 (1) (a) or 108.17 (2c) (c), Stats., if the interest charged  
23 resulted from any of the following circumstances:

1 (a) The employer failed to pay taxes or underpaid taxes by the required due date  
2 established by the department as a result of excusable neglect. An erroneous contention  
3 regarding the unemployment insurance law or misunderstanding of the obligations under the law  
4 shall not constitute excusable neglect.

5 **Note:** The following are examples of excusable neglect:

- 6 • Embezzlement by an accountant or an employee who is not related to the  
7 employer such that the embezzlement caused the interest to be due.
- 8 • Inaccurate written communication given to the employer by the Wisconsin  
9 Division of Unemployment Insurance that affirmatively misled the employer as  
10 to its duties and obligations such that the inaccurate written communication  
11 caused the interest to be due.

12  
13 (b) An inadvertent mathematical miscalculation by the employer of the amount of tax due  
14 resulting in a de minimis underpayment of taxes.

15 (3) A denial of a request for a waiver or decrease of interest under sub. (2) and s. 108.22

16 (1) (cm), Stats., is not an appealable decision.

17 **SECTION 5.** Ch. DWD 114 is created to read:

18 Chapter DWD 114

19 LICENSE REVOCATION AND FINANCIAL RECORD MATCHING PROGRAM

20 DWD 114.01 Definitions. (1) Except as provided in sub. (2), the definitions in ch. DWD  
21 100 apply to this chapter.

22 (2) Notwithstanding ch. DWD 100, in this chapter:

23 (a) "Applicant for a license" means an employer as defined in s. 108.02 (13), Stats., or  
24 any individual who is found personally liable under s. 108.22 (2) and (9), Stats., and applies for a  
25 license as defined in s. 108.227 (1) (e), Stats.

26 (b) "Contribution" has the meaning given in s. 108.227 (1) (a), Stats.

1 (c) "Delinquent" means a license holder or applicant for a license who is liable for any  
2 contributions or assessments which remain unpaid after the applicable due date.

3 (d) "Liable for delinquent contributions" has the meaning given in s. 108.227 (1) (d),  
4 Stats.

5 (e) "Licensing department" has the meaning given in s. 108.227 (1) (f), Stats.

6 (f) "License holder" means an employer as defined in s. 108.02 (13), Stats., or any  
7 individual who is found personally liable under s. 108.22 (2) and (9), Stats., and possesses a  
8 license as defined in s. 108.227 (1) (e), Stats.

9 (g) "Nondelinquency certificate" has the meaning given in s. 108.227 (1) (g), Stats.

10 **DWD 114.10 Purpose.** This chapter specifies all of the following:

11 (1) Procedures to be used before taking action under ss. 108.227 (3) (b), 102.17 (1) (ct),  
12 103.275 (2) (bt), 103.34 (10) (d), 103.91 (4)(d), 103.92 (8), 104.07(7), or 105.13 (4), Stats., with  
13 respect to a person whose license or credential is to be denied, not renewed, discontinued,  
14 suspended, or revoked based on delinquent unemployment insurance tax contributions.

15 (2) Procedures under which the department shall enter into agreements with financial  
16 institutions doing business in this state to operate the financial record matching program under s.  
17 108.223, Stats.

18 **DWD 114.20 Certification of delinquency.** (1) After the department has issued an  
19 initial determination as specified under s. 108.10, Stats., finding a license holder or applicant for  
20 a license delinquent in making contributions as specified under s. 108.227 (1) (d), Stats., and  
21 after all potential appeals by the license holder or applicant for a license are exhausted, the  
22 department shall do any of the following:

23 (a) Issue a warrant as specified under s. 108.22 (2) and (3), Stats.

1 (b) Issue and provide by personally serving or mailing by certified mail to the last known  
2 address of the license holder or applicant for a license, a certified notice of liability that includes  
3 all of the following information:

4 1. The mailing date of the notice.

5 2. The payment amount demanded.

6 3. A statement that the department may issue a certificate of delinquency to a licensing  
7 department that may result in the license or credential being denied, not renewed, discontinued,  
8 suspended or revoked.

9 4. A statement that the license holder or applicant for a license has 14 calendar days from  
10 the date of mailing of the notice to submit the full payment identified under subd. 2. or to enter  
11 into an installment payment plan schedule that is established by the department under s. DWD  
12 114.30.

13 (2) Upon request of any license holder or applicant for a license who has paid the full  
14 amount demanded, has entered into and complied with an installment payment plan, or is  
15 otherwise not liable for delinquent contributions, the department shall issue a nondelinquency  
16 certificate to the license holder or applicant for a license and any licensing department that  
17 received a certificate of delinquency.

18 (3) The department shall issue a certificate of delinquency to a licensing department if all  
19 of the following apply:

20 (a) The department complied with the requirements under sub. (1) (a) and (b).

21 (b) The department received a request for a certification from a licensing department as  
22 to whether a license holder or an applicant for a license is liable for delinquent contributions.

1 (c) The license holder or applicant for a license has not paid the full payment demanded  
2 or entered into and complied with an installment payment plan.

3 **DWD 114.30 Installment payment plans.** (1) Any license holder or applicant for a  
4 license who is unable to pay the full amount of the delinquent unemployment insurance  
5 contributions, costs, penalties and interest may negotiate with the department to pay such  
6 contributions, costs, penalties and interest in installments through a payment plan. The license  
7 holder or applicant for a license shall provide a statement of the reasons such contributions,  
8 costs, penalties and interest cannot be paid in full and shall set forth the plan of installment  
9 payments proposed by the license holder or applicant for a license. Upon approval of such plan  
10 by the department and the timely payment of installments set forth in the plan, collection  
11 proceedings with respect to such contributions, costs, penalties and interest shall be withheld. If  
12 the license holder or applicant for a license fails to make any installment payment as scheduled,  
13 the department may cancel the installment payment plan and proceed to collect the unpaid  
14 portion of such contributions, costs, penalties and interest in the manner provided by law, and  
15 after providing 7 days notice to the license holder or applicant for a license, issue a certificate of  
16 delinquency. The department may require license holders or applicants for a license who make  
17 installment payments under this paragraph to do so by electronic funds transfer.

18 (2) A delinquent license holder or applicant for a license may enter into an installment  
19 payment plan that will allow the delinquent license holder or applicant for a license to make full  
20 payment of all delinquencies. The installment payment plan shall provide sufficient time and  
21 payment terms of the license holder or applicant for a license to be able to pay all delinquencies  
22 and shall consider the ability of the license holder or applicant for a license to be able to pay all  
23 delinquencies.

1 (3) A license holder or applicant for a license in an active installment payment plan shall  
2 pay current and subsequent quarterly contributions in full and on the date specified by the  
3 department.

4 **DWD 114.40 Other enforcement actions not prohibited.** Certifying a license holder or  
5 applicant for a license liable for delinquent contributions does not limit the department from  
6 taking other actions required or permitted by law to collect contributions from the license holder  
7 or applicant for a license.

8 **DWD 114.50 Financial record matching program.** A financial institution doing  
9 business in this state shall enter into an agreement with the department to participate in the  
10 exchange of data on a quarterly basis. To the extent feasible, the information required under this  
11 agreement shall be submitted by electronic means as prescribed by the department. The financial  
12 institution shall sign the agreement and return the agreement to the department within 20  
13 business days of receipt of the agreement. The department shall review the agreement and, if all  
14 conditions under s. 108.223, Stats., have been met, shall sign the agreement and provide the  
15 financial institution with a copy of the signed agreement. Any changes to the conditions of the  
16 agreement shall be submitted by the financial institution or the department at least 60 days prior  
17 to the effective date of the change.

18 **SECTION 6.** DWD 115.07 (2) (a) is amended to read:

19 DWD 115.07 (2) (a) The department shall consider as timely under sub. (1) (d) any  
20 written application from the transferee or its representative which is received by the department  
21 on or before: July 31 of the year in which the transfer date is January 1 to March 31; October 31  
22 of the year in which the transfer date is April 1 to June 30; January 31 of the year following the  
23 year in which the transfer date is July 1 to September 30; and April 30 of the year following the

1 year in which the transfer date is October 1 to December 31, unless par. (b) applies. The  
2 department shall accept a late application received no more than 90 days after its due date if the  
3 transferee satisfies the department that the application was late as a result of excusable neglect.

4 **SECTION 7.** DWD 132.03 is repealed.

5 **SECTION 8.** DWD 140.001 (1) and (2) (intro.) are amended to read:

6 DWD 140.001 (1) IN GENERAL. Except as provided in sub. (2), ~~unless the context clearly~~  
7 ~~indicates a different meaning,~~ the definitions in ch. DWD 100 apply to this chapter.

8 (2) IN THIS CHAPTER. Notwithstanding ch. DWD 100, the following words and phrases  
9 have the designated meanings ~~unless the context clearly indicates a different meaning:~~

10 **SECTION 9.** DWD 140.001 (2) (a) is renumbered (2) (ar).

11 **SECTION 10.** DWD 140.001 (2) (ag) and (am) are created to read:

12 DWD 140.001 (2) (ag) "Affiant" means a person who swears to an affidavit.

13 (am) "Affidavit" means a written statement sworn under oath before a notary public or  
14 other person authorized by law to verify sworn statements and must be based upon personal  
15 knowledge or upon information and belief.

16 **SECTION 11.** DWD 140.22 is created to read:

17 **DWD 140.22 Standard affidavit form.** (1) IN GENERAL. (a) Personal knowledge is the  
18 recognition of facts through firsthand observation or experience.

19 (b) Information and belief is not based on firsthand observation or experience but is  
20 based on secondhand information that is sworn as true.

21 (c) The department's standard affidavit form for appeals under ss. 108.09 and 108.10,  
22 Stats., is available at the department's website or by requesting a copy from the hearing office.

1       **Note:** The standard affidavit form can be found at the department's website:  
2       <http://www.dwd.wisconsin.gov> or by contacting any of the following hearing  
3       offices:

4  
5       Eau Claire Hearing Office  
6       715 S. Barstow Street, Suite #1  
7       Eau Claire, WI 54701

8  
9       Fox Valley Hearing Office  
10      54 Park Place, Suite 800  
11      Appleton, WI 54914

12  
13      Madison Hearing Office  
14      3319 W. Beltline Hwy., Room E308  
15      P.O. Box 7975  
16      Madison, WI 53707-7975

17  
18      Milwaukee Hearing Office  
19      819 N. 6<sup>th</sup> Street, Room 382  
20      Milwaukee, WI 53203

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22      (2) AFFIDAVIT REQUIREMENTS. (a) An affidavit must contain all of the following  
23 information:

- 24      1. The name and address of the affiant.
- 25      2. The signature or mark of the affiant.
- 26      3. The date the statement was sworn.
- 27      4. The signature or mark of the notary public or other person authorized by law to  
28 verify sworn statements.
- 29      5. The county and state where the statement was sworn.

30      (b) An affidavit based upon information and belief must state the source of the  
31 information and the grounds for the belief.

1 (3) PROCEDURE. (a) A party may submit an affidavit as a potential exhibit by  
2 simultaneously delivering the affidavit to the hearing office and a copy to the other party. The  
3 administrative law judge conducting the hearing may refuse to consider an affidavit not received  
4 by the hearing office and the other party at least 3 days prior to the hearing.

5 (b) At the hearing, the administrative law judge may accept the affidavit as evidence as  
6 provided under s. DWD 140.16.

7 **SECTION 12. INITIAL APPLICABILITY.** The amendments to ch. DWD 113 and creation of  
8 ch. DWD 114 first apply to any delinquencies existing on or after the effective date of this rule.

9 **SECTION 13. EFFECTIVE DATE** This rule shall take effect on the first day of the month  
10 following publication in the Wisconsin Administrative Register as provided in s. 227.22 (2)  
11 (intro.), Stats.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

WISCONSIN DEPARTMENT OF  
WORKFORCE DEVELOPMENT

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Reginald J. Newson, Secretary