

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3-16-06

BILL NO. SB 427

OR

SUBJECT 269-2929

11:19

Pam Henning
(NAME)

801 W Badger
(Street Address or Route Number)

Madison

City and Zip Code

Dept. of Employee Trust Funds
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3/16/200

BILL NO. SB 427

OR

SUBJECT gun. Trans

gun benefits

Paul A. Pover
(NAME)

State Capitol
(Street Address or Route Number)

City and Zip Code

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 16 March 2000

BILL NO. Senate Bill 427

OR

SUBJECT

Sen. Fred Risser
(Name)

220 South Capitol
(Street Address or Route Number)

City and Zip Code

(Representing)

Speaking in Favor:

Speaking Against:

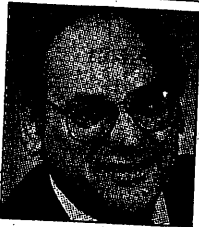
Registering in Favor:

Registering Against:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant at Arms
Room 204-S
State Capitol
Madison, Wisconsin 53702



STAN MILAM
GOVERNMENT AT WORK

WJ State Journal
State may give staff some relief on transit

Ask state government employees who work Downtown to identify the most frustrating part of their jobs, and you're likely to get an earful about parking. You can easily spend \$100 a month or more between fees and tickets.

There's a proposal in the hopper to offer relief for weary commuters, but there may not be enough time to get it enacted.

Sen. Fred Risser, D-Madison, has introduced a bill to create what's called a "qualified transportation fringe benefit plan" for state employees. The plan, SB-427, would allow employees to set aside pre-tax income that is used for eligible transportation.

Tax benefits associated with transportation usually apply to mass transportation. But in this case, the vast majority of people who choose cars over buses also get a break.

Three types of transportation are covered under Risser's bill, mass transit, van pools and parking expenses for people who drive to and from work.

The plan would be administered by the state's Department of Employee Trust Funds.

"This is similar to the Employee Reimbursement Account we now have," said Pam Henning, the director of legislation and planning for the department.

"Right now the account offers the pre-tax service for medical expenses up to \$7,500 a year and dependent care up to \$5,000 a year," she said.

Fringe benefit Management Co. in Tallahassee, Fla., administers the ERA for the department. The department has asked potential vendors to include the transportation benefit in future ERA proposals.

The current contract expires next year. Henning said the transportation benefit is part of the federal Taxpayer Relief Act enacted in August of 1997. It applies to the private and public sector, she said.

Employers and employees save under the plan.

Employers save because of lowered FICA costs while employees save because federal and state income taxes would be reduced because less gross income would be taxable.

Although the transportation benefit is authorized under federal legislation, the state statutes must be changed to implement the benefit for most state employees, Henning said.

The transportation benefit allows up to \$175 a month for parking near the work site and \$65 per month for mass transit including van pools.

The \$65 a month will increase to \$100 a month beginning in 2002.

Henning said there's an interest among state employees in using pre-tax transportation dollars.

"Of the 3,000 responses to a survey sent to 12,000 employees, 219 said they would like to see the benefit," Henning said. "About 600 said they weren't interested."

The transportation benefit will not affect employees' other benefits in terms of retirement and other options.

Although the employer — in this case the state — realizes savings because less FICA is paid, there would be an initial cost for start-up expenses including changes needed in the payroll system and record keeping.

Nearly 1,000 state employees already have payroll transportation deductions. About 3,600 have parking deductions totaling \$61,500 bi-weekly, and 430 employees have van pool deductions totaling \$13,701 bi-weekly.

The employer saving on FICA for those deductions is \$149,630 annually.

Employees already able to take advantage of the program work at UW-Madison, University Hospital, the Legislature and legislative

now Please see MILAM, Page 4E

sent to members of labor

Milam

Continued from Page 1E

services agencies. Risser said he introduced the legislation at the request of a state employee union.

"This is a benefit now on the books, and I think state employee should have it available to them," Risser said. "The part I like is that it will probably pay for itself through the savings realized by less FICA taxes."

Risser said he would have liked to introduce the bill earlier, but there were problems in drafting that prevented that. He said there's a possibility the bill will get lost in the shuffle near the end of the legislative session. The current floor period is scheduled to end March 30.

"There's always that chance," he said. "Unless this logjam opens up, there will be many bills that don't get passed this session."

"The fact that the bill is virtually self-funding may be one way to break through this logjam and get the bill rolling," Risser said.

"If not, we'll have already done our homework, and the bill will be one of the first to be considered the next time around."

March 13, 2000

TO: Members of the Senate Labor Committee

Senator Russell Decker
Senator Roger Breske

Senator David Zien
Senator Margaret Farrow

FROM: Anne Eskeitz, Committee Clerk for Senate Labor Committee

RE: SENATE BILL 427 (Risser) re: qualified transportation fringe benefits

Senate Bill 427 is on the March 16th schedule for the Labor Committee's Public Hearing. Attached is an article on the bill that appeared in the Wisconsin State Journal on Sunday, March 12, 2000. I thought it would be informative for the members of the Senate Labor Committee.

**Testimony on Senate Bill 427
Qualified Transportation Fringe Benefit for State Employees**

By the Department of Employee Trust Funds

Senate Labor Committee – March 16, 2000

Thank you Chairperson Baumgart and Committee Members for the opportunity to speak on behalf of Senate Bill 427 relating to the Qualified Transportation Fringe Benefit for state employees. I am Pam Henning, Director of Legislation and Planning, at the Department of Employee Trust, and sitting next to me is Marcia Blumer, Program Manager of our current Employee Reimbursement Account Program. We're here to speak in support of this bill.

In 1998, federal and state law was enacted allowing employers to offer employees use of pre-tax income to pay for eligible transportation expenses related to employment. State agencies under central payroll, the University of Wisconsin System, University Hospital and Clinics Authority, the Legislature and legislative service agencies have already implemented the pre-tax deduction of parking and van pool expenses that are currently paid through payroll deductions.

This bill is necessary to provide the authority and funding to our department to administer a transportation reimbursement accounts program for all other state employees that do not currently park in state-owned facilities and have their parking deducted through payroll deduction.

There are three types of qualified transportation fringe benefits that would be authorized under the bill:

1. Parking
2. Mass transit including bus, rail and ferry
3. Van pooling

Benefits are limited to \$175 per month for qualified parking and \$65 per month for mass transit and van pooling. The \$65 per month limit will increase to \$100 per month in 2002.

The qualified transportation fringe benefits program would result in savings to both participating employees and employers. Employees would enjoy federal and state tax savings as well as savings on social security taxes. Employers would realize social security tax savings. The pre-tax benefit would not affect an employee's earnings used to calculate other benefits such as retirement, life insurance, income continuation insurance, sick leave conversion or unemployment or worker's compensation.

As indicated in the fiscal estimate, start-up funds are necessary for program implementation, enrollment and benefit communication to employees. On-going program expenses will be partially offset by agency social security tax savings. Agency savings may eventually pay completely for on-going program expenses. If not, an agency fee similar to the current ERA program fee may be needed.

We urge you to support SB 427 and provide the same benefit to all state employees throughout the State of Wisconsin who pay high transportation costs to serve the public.

Thank you for your time. We'd be happy to answer any questions you may have on the bill.

March 16, 2000

SENATE LABOR COMMITTEE
Senator Jim Baumgart, Chair

PAPER BALLOT

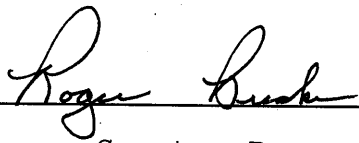
Public Hearing held 3-16-2000

Senate Bill 427

Relating to: qualified transportation fringe benefits and making an appropriation.
By Senators Risser, Grobschmidt and Roessler; cosponsored by Representatives Musser,
Bock, Black, Boyle, J. Lehman, Pocan and Miller.

Motion by Chair that Senate Bill 427 be recommended for
Passage:

AYE: _____ ✓ _____ NO: _____



Senator Roger Breske

PLEASE RETURN AS SOON AS POSSIBLE.

323 S

MAR 20 2000

March 16, 2000

SENATE LABOR COMMITTEE
Senator Jim Baumgart, Chair

PAPER BALLOT

Public Hearing held 3-16-2000

Senate Bill 427

Relating to: qualified transportation fringe benefits and making an appropriation.
By Senators Risser, Grobschmidt and Roessler; cosponsored by Representatives Musser,
Bock, Black, Boyle, J. Lehman, Pocan and Miller.

Motion by Chair that Senate Bill 427 be recommended for
Passage:

AYE: ✓ NO:

Russ Decker

Senator Russell Decker

PLEASE RETURN AS SOON AS POSSIBLE.

March 16, 2000

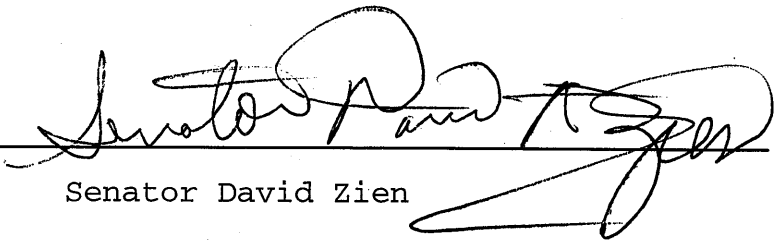
PAPER BALLOT

Senate Bill 427

Relating to: qualified transportation fringe benefits and making an appropriation.
By Senators Risser, Grobschmidt and Roessler; cosponsored by Representatives Musser,
Bock, Black, Boyle, J. Lehman, Pocan and Miller.

Motion by Chair that Senate Bill 427 be recommended for
Passage:

AYE: X NO:



Senator David Zien

March 16, 2000

SENATE LABOR COMMITTEE
Senator Jim Baumgart, Chair

PAPER BALLOT

Public Hearing held 3-16-2000

Senate Bill 427

Relating to: qualified transportation fringe benefits and making an appropriation.
By Senators Risser, Grobschmidt and Roessler; cosponsored by Representatives Musser,
Bock, Black, Boyle, J. Lehman, Pocan and Miller.

Motion by Chair that Senate Bill 427 be recommended for
Passage:

AYE: _____ NO: X

Margaret A. Farrow

Senator Margaret Farrow

PLEASE RETURN AS SOON AS POSSIBLE.

March 16, 2000

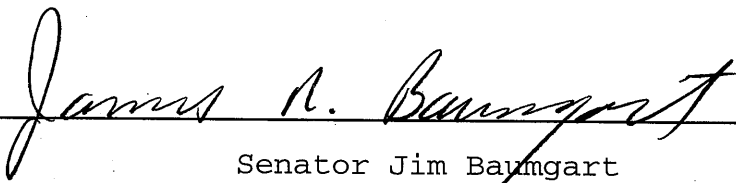
PAPER BALLOT

Senate Bill 427

Relating to: qualified transportation fringe benefits and making an appropriation.
By Senators Risser, Grobschmidt and Roessler; cosponsored by Representatives Musser,
Bock, Black, Boyle, J. Lehman, Pocan and Miller.

Motion by Chair that Senate Bill ~~423~~⁴²⁷ be recommended for
Passage:

AYE: _____ NO: X



Senator Jim Baumgart