

**Committee Name:**

**Senate Committee – Privacy, Electronic Commerce and Financial Institutions  
(SC-PECFI)**

**Appointments**

01hr\_SC-PECFI\_Appoint\_pt00

**Clearinghouse Rules**

01hr\_SC-PECFI\_CRule\_01-

**Committee Hearings**

01hr\_SC-PECFI\_CH\_pt00

**Committee Reports**

01hr\_SC-PECFI\_CR\_pt00

**Executive Sessions**

01hr\_SC-PECFI\_ES\_pt00

## **Hearing Records**

01hr\_ab0000

**01hr\_sb0012**

**Misc.**

01hr\_SC-PECFI\_Misc\_pt01

**Record of Committee Proceedings**

01hr\_SC-PECFI\_RCP\_pt00

**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: March 7, 2001  
BILL NO. \_\_\_\_\_  
OR \_\_\_\_\_  
SUBJECT SB 12

TRICIA YATES  
(NAME)  
33 Nob Hill Dr.  
(Street Address or Route Number)  
Madison, WI 53708  
(City and Zip Code)  
WISCONSIN EDUCATION ASSOC.  
(Representing) COUNCIL  
WISCONSIN FEDERATION OF TEACHERS  
Speaking in Favor:

Speaking Against:   
Registering in Favor:   
but not speaking:  
Registering Against:   
but not speaking:  
Speaking for information only; Neither for nor against:

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State Capitol - B35 South  
P.O.Box 7882  
Madison, WI 53707-7882

**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: 3-7-'01  
BILL NO. SB 12  
OR \_\_\_\_\_  
SUBJECT SS#'s - Lists

Doug Johnson  
(NAME)  
1 E. Main #305  
(Street Address or Route Number)  
Madison 53703  
(City and Zip Code)  
WJ Merchants Federation  
(Representing) Federation  
Speaking in Favor:

Speaking Against:   
Registering in Favor:   
but not speaking:  
Registering Against:   
but not speaking:  
Speaking for information only; Neither for nor against:

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**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: 3/7/01  
BILL NO. \_\_\_\_\_  
OR SB 12  
SUBJECT \_\_\_\_\_

ELIZABETH REINWALD  
(NAME)  
345 W. WASHINGTON  
(Street Address or Route Number)  
MADISON 53703  
(City and Zip Code)  
DEP EMP RELATIONS  
(Representing) TESTIFYING WITH ELAINE GERBER  
Speaking in Favor:

Speaking Against:   
Registering in Favor:   
but not speaking:  
Registering Against:   
but not speaking:  
Speaking for information only; Neither for nor against:

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**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: 3-7-01  
BILL NO. SB12  
OR  
SUBJECT \_\_\_\_\_

Pam Henning  
(NAME)  
701 W Bader Rd  
(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:

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**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: \_\_\_\_\_  
BILL NO. \_\_\_\_\_  
OR SB12  
SUBJECT \_\_\_\_\_

Swata-Epenbach  
(NAME)

\_\_\_\_\_  
(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:

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**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: 3-7-01  
BILL NO. S.B. 12  
OR  
SUBJECT Prohibit SSN on  
Certain documents

Elaine Corber  
(NAME)  
101 E. Wilson  
(Street Address or Route Number)  
Madison  
(City and Zip Code)

DOA - speaking with Elizabeth Reinwald  
(Representing)

Speaking in Favor:   
Speaking Against:   
Registering in Favor:  
but not speaking:   
Registering Against:  
but not speaking:   
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**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: 3/07  
BILL NO. SB 12  
OR  
SUBJECT \_\_\_\_\_

RICHARD LAUSEMBERG  
(NAME)  
750 UNIV AVE  
(Street Address or Route Number)  
MADISON 53706  
(City and Zip Code)

UNIVERSITY  
(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:

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**SENATE HEARING SLIP**

(Please Print Plainly)

**SENATE HEARING SLIP**

(Please Print Plainly)

DATE: 3/7/01

BILL NO. SJR 21, SB12, SB35

OR  
SUBJECT \_\_\_\_\_

Mary Kison  
(NAME)

4296 N. Creek Ln.  
(Street Address or Route Number)

Lena, WI 54139  
(City and Zip Code)

herself  
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:  
but not speaking:

Registering Against:  
but not speaking:

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only; Neither for nor against:

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Madison, WI 53707-7882

DATE: 3/7/01

BILL NO. SB 12 & SJR 21

OR  
SUBJECT Social Security

Number collected

use

(NAME)  
Carol M. Doepfers, Director  
(Street Address or Route Number)

Wisconsin Data Privacy Project  
(City and Zip Code)

ACLU of Wisconsin  
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:  
but not speaking:

Registering Against:  
but not speaking:

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**SENATE BILL 12**  
**Privacy of State Records for State Employees**

**Two incidents lead me to draft this legislation.**

A constituent who works at Oakhill contacted his office because hi time card that sits out in a nearly general area at the prison contains his social security number.

**Many inmates have access to the area and he was concerned, rightly so, that criminals might use his personal information for illegal uses. This is not a stretch because many individuals incarcerated at Oakhill are there for fraud.**

Another constituent, who is a state employee, had his briefcase stolen, inside that briefcase was his retirement statement and his deferred comp statement. Both documents contain his social security number.

**I really don't understand how this is a difficult bill to comply with, when I ask the response is dim. If they can change a name and social security number on a time card why can't they delete the field that contains the social security number? I doubt we really need a new state accounting system for that. The DOA fiscal states the University could have huge costs, but I have not heard this from the UW.**

**The bill does not prohibit the agencies from collecting the social security number, it doesn't prohibit the agency from using the social security number as an identification number, it simply prohibits them from broadcasting my social security number!**

03-07-01

**Testimony for Senate Bill 12**  
**Senate Committee on Privacy, Electronic Commerce and Financial Institutions**  
**by**  
**The Department of Employee Trust Funds**  
**March 7, 2001**

*(SB 12 requires the Secretary of DETF to ensure that the participant's SSN does not appear on the annual Statement of Benefits and requires the Deferred Compensation Board to ensure that any statement sent to employees who participate in the deferred compensation plan not contain the SSN of the employee.)*

Thank you Chair Erpenbach and Committee Members for this opportunity to speak on SB 12. I am Pam Henning, Legislative Liaison, at the Department of Employee Trust Funds, and I'm here to speak in opposition to the bill.

For purposes of the Wisconsin Retirement System, the member's Social Security number (SSN) is the controlling data field in creating and updating member WRS accounts and in reconciling member data with participating employers. The Statement of Benefits (SOB) sent once a year to participants is the only correspondence for active and inactive participants to verify their WRS accounts with our Department and their employers.

Employers are required to maintain SSN's for Internal Revenue Service (IRS) wage reporting and WRS service and earnings reports. Each year, ETF reconciles member accounts to ensure that member accounts have been credited with the correct amount of employer and employee contributions. Only after all accounts are reconciled does ETF send out the Statement of Benefits to 260,000 active members and 85,000 inactive members. These statements are placed in a sealed security envelope for distribution by their employer. The SSN is displayed on the annual Statement of Benefits for identification and processing purposes. It is critical that the SSN remain on the annual SOBs for the following reasons:

1. The SSN allows members to review and verify the SSN on file with ETF. Employers can make data entry errors when entering SSN's into the payroll system as well as our staff when loading employee SSN's into our system.
2. An inaccurate SSN on file with us could lead to problems for employees with the IRS and Social Security Administration (SSA) at the time of the employee's retirement.
3. Over 4,000 inactive member SOBs are returned each year due to undeliverable addresses. These statements are used to update the members record with a "lost contact" date. If the SSN is removed from the statement, there will be tremendous difficulty in updating the member's record or placing the statement in the member's file.
4. Removing or suppressing the SSN on our SOBs will require another manual process for our staff to verify the correct member with their account, if at all. We have hundreds of members with the same names, including first, middle and last as well as date of birth. This will lead to a higher risk of a wrong member receiving confidential correspondence from our department or ultimately a member's account being updated incorrectly.

As you may be aware, this past July the State Deferred Compensation Program removed the participant's Social Security number as an account identifier on the printed statements mailed to participants. However, the SSN still remains on the statements in an encoded fashion for administrator verification purposes. If the encoded number would need to be removed as a result of SB 12, it would require the third party administrator to completely alter or develop a new system to provide quarterly statements at a costly price to the participants who would bear the costs.

Also, I wanted to point out a clarification in the bill that may need amending. SB 12 states that the Deferred Compensation Board must ensure statements sent to employees who participate in a plan "under this subchapter" do not contain SSNs. The State's 457 Deferred Compensation Board does not have the authority over any other plan but the state plan. If it is the intent of SB 12 to include plans of local governments, school districts and universities under both 457 and tax sheltered annuity plans under 403(b), then the current bill will need to be amended to do so. ]

In closing, I'd just like to again ask the committee to continue to allow us to send out SOBs using SSNs.

Thank you for your time. I'd be happy to answer any questions you may have.