



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

Appendix D

LRB BILL HISTORY RESEARCH APPENDIX

 The drafting file for 2015 LRB-4027 (For: DWD)

has been copied/added to the drafting file for


2015 LRB-2020 (For: DWD)

 Are These “Companion Bills” ?? ... No



RESEARCH APPENDIX -
PLEASE KEEP WITH THE DRAFTING FILE

Date Transfer Requested: 12/18/2015 (Per: MED)

 The attached draft was incorporated into the new draft listed above. For research purposes the attached materials were added, as a appendix, to the new drafting file. If introduced this section will be scanned and added, as a separate appendix, to the digital drafting file.

2015 DRAFTING REQUEST

Bill

Received: **12/4/2015** Received By: **mduchek**
For: **Workforce Development** Same as LRB:
May Contact: By/Representing: **Janell Knutson**
Subject: **Unemployment Insurance** Drafter: **mduchek**
Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email: **Janell.Knutson@dwd.wisconsin.gov**
Carbon copy (CC) to: **Andrew.Rubsam@dwd.wisconsin.gov**
Aaron.McKean@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Proposal D15-14 - SAFI money to PI fund

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mduchek 12/4/2015		_____			
/P1		csicilia 12/7/2015	_____	lparisi 12/7/2015		

FE Sent For:

<END>

D15-14

Transfer of Special Assessment for Interest Funds to Program Integrity Fund

Date: December 17, 2015

Proposed by: DWD

Prepared by: Andy Rubsam

ANALYSIS OF PROPOSED UI LAW CHANGE

Transfer of Special Assessment for Interest Funds to Program Integrity Fund

1. Description of Proposed Change

Employers paid special assessments for the interest due on loans from the federal government to Wisconsin's unemployment insurance trust fund when the fund was negative during the most recent recession. The assessments are known as special assessments for interest ("SAFIs"). Current law provides that, if the federal loans are repaid and future borrowing is unlikely, the department shall transfer any excess SAFI funds to the balancing account. The department proposes a law change that would also permit the department to transfer any excess SAFI funds to the unemployment program integrity fund.

2. Proposed Statutory Change

108.19 (1m) of the statutes is amended to read:

(1m) Each employer subject to this chapter as of the date a rate is established under this subsection shall pay an assessment to the unemployment interest payment fund at a rate established by the department sufficient to pay interest due on advances from the federal unemployment account under Title XII of the social security act (42 USC 1321 to 1324). The rate established by the department for employers who finance benefits under s. 108.15 (2), 108.151 (2), or 108.152 (1) shall be 75% of the rate established for other employers. The amount of any employer's assessment shall be the product of the rate established for that employer multiplied by the employer's payroll of the previous calendar year as taken from quarterly employment and wage reports filed by the employer under s. 108.205 (1) or, in the absence of the filing of such reports, estimates made by the department. Each assessment made

D15-14

Transfer of Special Assessment for Interest Funds to Program Integrity Fund

under this subsection is due on the 30th day commencing after the date on which notice of the assessment is mailed by the department. If the amounts collected from employers under this subsection are in excess of the amounts needed to pay interest due, the department shall use any excess to pay interest owed in subsequent years on advances from the federal unemployment account. If the department determines that additional interest obligations are unlikely, the department shall transfer the excess to the balancing account of the fund or to the unemployment program integrity fund.

108.19 (1s) (am) of the statutes is created to read:

(1s) (am) The amounts collected under sub. (1m) shall be deposited into the unemployment program integrity fund, other than the amounts transferred to the balancing account and the amounts used to pay interest due on advances from the federal unemployment account under Title XII of the social security act (42 USC 1321 to 1324).

3. Effects of Proposed Change

- a. Policy. This proposal provides the department with additional funding for program integrity activities, which should have a positive effect on the trust fund.
- b. Administrative. The department expects a minimal administrative effect for this proposal.
- c. Fiscal. A fiscal estimate is not yet available.

4. State and Federal Issues

There are no known federal conformity issues with this proposal. The Department recommends that any changes to the unemployment insurance law be sent to the U.S. Department of Labor for conformity review.

5. Proposed Effective/Applicability Date

This proposal would be effective with other changes made as part of the agreed bill cycle.



State of Wisconsin
2015 - 2016 LEGISLATURE

In 12-4
Out 12-7

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MED:./

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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- 1 AN ACT ...; relating to: transfer of excess moneys in the unemployment interest
- 2 payment fund.

Analysis by the Legislative Reference Bureau

Transfer of moneys from the unemployment interest payment fund

Under current law, an employer must pay an assessment to the state unemployment interest payment fund at a rate established by DWD that is sufficient to pay interest due on advances from the federal government from the Federal Unemployment Account (FUA) in the federal Unemployment Trust Fund. Such advances are made when the state's Unemployment Reserve Fund is depleted. If the assessments collected are in excess of the amounts needed to pay interest due, DWD must use any excess to pay interest owed in subsequent years on advances from the FUA. However, if DWD determines that additional interest obligations are unlikely, DWD must transfer the excess to the unemployment reserve fund's balancing account (pooled account financed by all employers who pay contributions that is used to pay benefits that are not chargeable to any employer's account).

This bill instead provides that DWD must transfer the excess in the state unemployment interest payment fund to the balancing account, the program integrity fund, or both in amounts determined by DWD.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

unemployment

Section 1720q ↑

1

SECTION 1. 108.19 (1m) of the statutes, as affected by 2013 Wisconsin Act 20,

2

is amended to read:

3

108.19 (1m) Each employer subject to this chapter as of the date a rate is established under this subsection shall pay an assessment to the unemployment interest payment fund at a rate established by the department sufficient to pay interest due on advances from the federal unemployment account under Title XII of the social security act (42 USC 1321 to 1324). The rate established by the department for employers who finance benefits under s. 108.15 (2), 108.151 (2), or 108.152 (1) shall be ~~75%~~ 75 percent of the rate established for other employers. The amount of any employer's assessment shall be the product of the rate established for that employer multiplied by the employer's payroll of the previous calendar year as taken from quarterly employment and wage reports filed by the employer under s. 108.205 (1) or, in the absence of the filing of such reports, estimates made by the department. Each assessment made under this subsection is due on the 30th day commencing after the date on which notice of the assessment is mailed by the department. If the amounts collected from employers under this subsection are in excess of the amounts needed to pay interest due, the department shall use any excess to pay interest owed in subsequent years on advances from the federal unemployment account. If the department determines that additional interest obligations are unlikely, the department shall transfer the excess to the balancing account of the fund, the unemployment program integrity fund, or both in amounts determined by the department.

23

History: 1979 c. 34; 1979 c. 110 s. 60 (13); 1981 c. 315; 1983 a. 8, 27, 384; 1985 a. 29, 332; 1987 a. 27, 38, 403; 1991 a. 315; 1993 a. 490; 1997 a. 39; 1999 a. 15; 2001 a. 35; 2003 a. 197; 2007 a. 59; 2009 a. 177, 287; 2011 a. 198; 2013 a. 20; 2013 a. 36 s. 236m; 2015 a. 55.

SECTION 2. 108.19 (1s) (a) of the statutes, as amended by 2015 Wisconsin Act

24

55, is renumbered 108.19 (1s) (a) (intro.) and amended to read:

affected



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-4027/P1
MED:cjs

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

- 1 **AN ACT** *to renumber and amend* 108.19 (1s) (a); *to amend* 108.19 (1m); and
2 *to create* 108.19 (1s) (a) 2. of the statutes; **relating to:** transfer of excess
3 moneys in the unemployment interest payment fund.

Analysis by the Legislative Reference Bureau

Transfer of moneys from the unemployment interest payment fund

Under current law, an employer must pay an assessment to the state unemployment interest payment fund at a rate established by DWD that is sufficient to pay interest due on advances from the federal government from the Federal Unemployment Account (FUA) in the federal Unemployment Trust Fund. Such advances are made when the state's Unemployment Reserve Fund is depleted. If the assessments collected are in excess of the amounts needed to pay interest due, DWD must use any excess to pay interest owed in subsequent years on advances from the FUA. However, if DWD determines that additional interest obligations are unlikely, DWD must transfer the excess to the unemployment reserve fund's balancing account (pooled account financed by all employers who pay contributions that is used to pay benefits that are not chargeable to any employer's account).

This bill instead provides that DWD must transfer the excess in the state unemployment interest payment fund to the balancing account, the unemployment program integrity fund, or both in amounts determined by DWD.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 108.19 (1m) of the statutes, as affected by 2013 Wisconsin Act 20,
2 section 1720q, is amended to read:

3 108.19 (1m) Each employer subject to this chapter as of the date a rate is
4 established under this subsection shall pay an assessment to the unemployment
5 interest payment fund at a rate established by the department sufficient to pay
6 interest due on advances from the federal unemployment account under Title XII of
7 the social security act (42 USC 1321 to 1324). The rate established by the department
8 for employers who finance benefits under s. 108.15 (2), 108.151 (2), or 108.152 (1)
9 shall be ~~75%~~ 75 percent of the rate established for other employers. The amount of
10 any employer's assessment shall be the product of the rate established for that
11 employer multiplied by the employer's payroll of the previous calendar year as taken
12 from quarterly employment and wage reports filed by the employer under s. 108.205
13 (1) or, in the absence of the filing of such reports, estimates made by the department.
14 Each assessment made under this subsection is due on the 30th day commencing
15 after the date on which notice of the assessment is mailed by the department. If the
16 amounts collected from employers under this subsection are in excess of the amounts
17 needed to pay interest due, the department shall use any excess to pay interest owed
18 in subsequent years on advances from the federal unemployment account. If the
19 department determines that additional interest obligations are unlikely, the
20 department shall transfer the excess to the balancing account of the fund, the
21 unemployment program integrity fund, or both in amounts determined by the
22 department.

23 **SECTION 2.** 108.19 (1s) (a) of the statutes, as affected by 2015 Wisconsin Act 55,
24 is renumbered 108.19 (1s) (a) (intro.) and amended to read:

