

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original   <input type="checkbox"/> Updated   <input type="checkbox"/> Corrected</p>	<p>2. Date August 11, 2022</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) DWD 80, Worker's Compensation</p>	
<p>4. Subject Worker's compensation computation of the weekly wage for part-time employees.</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input checked="" type="checkbox"/> SEG   <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected 20.445 (1) (ra)</p>
<p>7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect   <input type="checkbox"/> Increase Existing Revenues   <input type="checkbox"/> Increase Costs   <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate   <input type="checkbox"/> Decrease Existing Revenues   <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy   <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units   <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$ There will be no cost of implementation and compliance to businesses, local governmental units or individuals.</p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule 2021 Wis. Act 232 amended s. 102.11 (1), Stats., to change the method for calculating the weekly wage for part-time employees. The rule is necessary for correctly calculating the worker's compensation benefits for part-time employees under the new law.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. N/A</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. N/A</p>	
<p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The creation of s. 102.11 (1) (ap), Stats., contained in 2021 Wis. Act 232, which is related to the calculation of the weekly wage for part-time employees, went into effect on April 10, 2022. There has been no noticeable economic or fiscal impact on employers, sectors, rate payers, local governmental units, or the state's economy as a whole since the new law went into effect. The statutory change could result in lower weekly benefit rates for some part-time employees who sustained work-related injuries, but it is unlikely there will be any noticeable change in overall worker's compensation costs for employers.</p>	
<p>15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The policy alternative is to do nothing. If the Department does not move forward with promulgating the proposed rules, the current rules will not conform to current state statutes. Additionally, the Department, worker's compensation insurance carriers, and self-insured employers will not be able to calculate the correct amount of benefits payable to part-time employees who sustain work-related injuries. This will result in the Department, worker's compensation insurance</p>	

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carriers, and self-insured employers not being able to pay injured part-time employees the correct amount of benefits on a timely basis.

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#### 16. Long Range Implications of Implementing the Rule

The long-range implication of implementing the rule is to have the language in the rule conform with the statute to promote the correct and timely payment of benefits to part-time employees who sustain work-related injuries.

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#### 17. Compare With Approaches Being Used by Federal Government

Employees of the Federal government who sustain work-related injuries are covered under the Federal Employees' Compensation Act (FECA), 5 USC 8101 et seq. The FECA uses a different statutory method for calculating benefit rates for employees including part-time employees. Generally, under the FECA benefit rates are based on 66 2/3% of the monthly pay of an employee who has no eligible dependent or 75% of the monthly pay of an employee who has an eligible dependent, subject to specified minimum and maximum amounts.

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#### 18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois, Iowa, Michigan, and Minnesota do not have administrative rules pertaining to computation of the weekly wage for part-time employees for purposes of worker's compensation.

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<h4>19. Contact Name</h4> <p>James T. O'Malley, Director, Bureau of Legal Services, DWD Worker's Compensation Division</p>	<h4>20. Contact Phone Number</h4> <p>(608) 267-6704</p>
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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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