

CR 83-128

CERTIFICATE

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STATE OF WISCONSIN)
)
DEPARTMENT OF EMPLOYE TRUST FUNDS) SS

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Gary I. Gates, Secretary of the Department of Employee Trust Funds, and custodian of the official records do hereby certify that the annexed rule amendments relating to due dates of Social Security reports and remittances were duly approved by the Teachers Retirement Board, Wisconsin Retirement Board and Employee Trust Funds Board and adopted by this department on November 7, 1983.

I further certify that this copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I
have hereunto set my hand
at 201 East Washington Avenue,
in the City of Madison, this
8th day of November,
19 83.

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

ORDER OF THE DEPARTMENT OF
EMPLOYEE TRUST FUNDS
AMENDING A RULE

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To amend ETF 10.63 (1) (f) and (2) relating to due dates of social security reports and remittances.

Analysis Prepared by the Department of Employee Trust Funds

The proposed amendments to these rules are needed to comply with Section 342, Public Law 98-21, which requires a more frequent deposit schedule for Social Security contributions. This new schedule is applicable to wages paid after December 31, 1983.

The rules interpret ss. 40.05 (3) and 40.06 (1) (a), Stats.

Pursuant to the authority vested in the department of employee trust funds by s. 40.03 (2) (1), Stats., the department of employee trust funds hereby amends rules interpreting ss. 40.05 (3) and 40.06 (1) (a), Stats., as follows:

SECTION 1. ETF 10.63 (1) (f) is amended to read:

(f) Reports and remittances from all reporting officials required in the administration of subch. III of ch. 40, Stats., are due on the ~~15th~~ 5th day of the calendar month ~~following the end of the reporting period~~ for contributions on wages paid during the 16th through the last day of the previous calendar month and on the 20th day of the calendar month for contributions on wages paid during the first 15 days of that month, except, that the annual report of wage detail is due prior to the March 1 following the end of the reporting period and except as provided by ss. ETF 10.61 and 10.62.

SECTION 2. ETF 10.63 (2) is amended to read:

(2) Whenever the ~~15th~~ 5th or 20th day of the calendar month referred to in sub. (1) falls on a Saturday, Sunday or holiday on which state offices are closed, a report or a remittance received on the next succeeding working day ~~will~~ shall be deemed to have been received on a timely basis.

The rules contained in this order shall take effective on January 1, 1984.

November 8, 1983
Date

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

FISCAL ESTIMATE

AD-MBA-23 (Rev. 11/82)

1983 Session

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No. / Adm. Rule No.
ETF 10.63(1)(f)&(2)
Amendment No. if Applicable

Subject

Due dates of Social Security reports and remittances

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May Be Possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others Legal entities
created under Wis. Statutes.

Fund Sources Affected

GPR FED PRO XPRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.515 (1) (w), Stats.

Assumptions Used in Arriving at Fiscal Estimate

Presently states have 30 days between the end of the month and the due date to the federal government in which to collect and transmit to the federal government Social Security contributions from the state and local units of government. Section 342 of Public Law 98-21 requires that contributions on wages paid from the first through the 15th of each month are due to the federal government by the last day of the month. Similarly, contributions on wages paid between the 16th and the last day of each month are due by the 15th of the month following.

Based on past experience when deposit frequency was changed from quarterly to monthly, we anticipate an initial increase of approximately 500% in the number of late deposits. This means the present average of 87 late deposits each month will increase to an excess of 520 every 2 weeks. Within 2 to 3 months this figure should drop to approximately 200 late reports which represents a long-range increase of 125%. We estimate that 2 to 2½ additional Fiscal Clerk 3 positions will be required to handle the increased paperwork on an ongoing basis.

It is expected that there will be loss of approximately 78% of present income from investment of the float to local units of government and to the state as an employer. The trust funds will have an additional loss of 33% of present income from investments.

Had this provision in Federal law been mandated for calendar year 1982 and assuming a 9% return on investments the loss of income to local units of government would have been approximately \$26.5 million. Loss to the the state and trust funds would have been approximately \$25.6 million.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

Diane M. Bass

Authorized Signature/Telephone No.

Diane M. Bass 266-5804

Date

Dept. of Employe Trust Funds 266-5804

7/8/83

FISCAL ESTIMATE WORKSHEET

1983 Session

Detailed Estimate of Annual Fiscal Effect

ORIGINAL UPDATED

CRB or Bill No./Adm. Rule No.

Amendment No.

AD-MBA-22 (Rev. 11/82)

CORRECTED SUPPLEMENTAL

ETF 10.63 (1) (E) & (2)

Subject

Due dates of Social Security reports and remittances.

I. One-time Costs or Revenue Fluctuations for State and/or Local Government (do not include in annualized fiscal effect):

None

II. Annualized Costs: Note: Treat fiscal costs like a "checkbook": increased costs reduce available funds (-); decreased costs increase available funds (+).

Annualized fiscal impact on State funds from:	Annualized fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
Salaries and Fringes	\$ - 36,400	\$ +
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Aids to Individuals or Organizations	-	+
TOTAL State Costs by Category	\$ - 36,400	\$ +

Annualized fiscal impact on State funds from:	Annualized fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
B. State Costs by Source of Funds		
GPR	\$ -	\$ +
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	- 36,400	+

Annualized fiscal impact on State funds from:	Annualized fiscal impact on State funds from:	
	Increased Pos.	Decreased Pos.
C. FTE Position Changes	+ (2.5)	- ()

Annualized fiscal impact on State funds from:	Annualized fiscal impact on State funds from:	
	Decreased Rev.	Increased Rev.
III. State Revenues -Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.		
GPR Taxes	\$ -	\$ +
GPR Earned	- 4,723,416	+
FED	- 1,382,709	+
PRO/PRS	- 2,755,326	+
SEG/SEG-S	- 16,719,274	+
TOTAL State Revenues	\$ - 25,580,725	\$ +

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ - 36,400	\$ +	Total Costs	\$ -	\$ +
Total Revenues	+	- 25,580,725	Total Revenues	+	- 26,515,126
NET Impact on State Funds	\$ IGI or (-) 25,617,125		NET Impact on Local Funds	\$ IGI or (-) 26,515,126	

Agency/Prepared by: (Name & Phone No.)

Authorized Signature/Telephone No.

Date

Diane M. Bass 266-5804
Dept. of Employee Trust Funds

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7/8/83