

CR 84-19

CERTIFICATE

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

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 repeal and recreation of a rule relating to penalties and interest on late reports and remittances was duly approved by the Teachers Retirement, Wisconsin Retirement and Employee Trust Funds Boards and adopted by this department on July 6, 1984. 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 6th day of July, 19 84.

RECEIVED

JUL 9 1984
1:15 am
Advisor of Statutes
Bureau

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

7-1 84

RECEIVED

ORDER OF THE DEPARTMENT OF EMPLOYEE TRUST FUNDS
REPEALING AND RECREATING A RULE

JUL 9 1984

Revisor of Statutes
Bureau

To repeal and recreate ETF 10.64, relating to penalties and interest on late reports and remittances submitted to the Department of Employee Trust Funds.

Analysis Prepared by the Department of Employee Trust Funds

Section 40.06 (3), Stats., provides that interest shall be charged on accounts receivable which are not received in a timely manner at the rate of .04% per day from the due date to the date received. Section 40.06 (5), Stats., provides for collection of interest at the effective rate when it is discovered that contributions or premiums are not paid in the year due. Social Security contributions due as a result of an adjustment wage report only become due on a date established by the Social Security Administration after it determines that there is an obligation to pay, even though this obligation may have been based upon some prior year's wage record. This rule clarifies that s. 40.06 (5), Stats., is not applicable to Social Security contributions.

These rules interpret s. 40.06 (5), Stats.

Pursuant to the authority vested in the secretary of the department of employee trust funds by s. 40.03 (2) (i), Stats., the secretary of the department of employee trust funds hereby repeals and recreates a rule interpreting s. 40.06 (5), Stats., as follows:

SECTION 1. ETF 10.64 is amended to read:

ETF 10.64 PENALTIES AND INTEREST. (1) Except as provided in s. ETF 10.63 (2) and (3) and this subsection, any report or remittance not received within the period specified in this chapter shall be subject to the charges and interest calculated in accordance with the provisions of s. 40.06, Stats. ~~In addition the employer shall be subject to and transmit the federal interest penalty on any contributions due on any OASDHI adjustment report which is determined by the social security administration to be delinquent.~~ Reports and remittances required under ss. ETF 10.61, ETF 10.62 and ETF 10.63 (1) (f) are not subject to the interest charges under s. 40.06 (5), Stats.

(2) The employer shall be responsible for and transmit to the department any assessment made against the state by the federal government for late payment of contributions due on any OASDHI adjustment report.

The rules contained in this order shall take effect as provided in s. 227.026 (1) (intro.), Stats.

7/6/84
Date

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

FISCAL ESTIMATE

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

1983 Session

LRB or Bill No./Adm. Rule No. ETF 10.64
Amendment No. if Applicable

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Penalties and interest on Social Security contributions and adjustments.

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 _____

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This proposed rule clarifies that Social Security contributions on adjustment wage reports and on initial OASDHI wage reports, although subject to late penalty fees and interest assessed by the Federal government and the Department under s. 40.06 (3), Stats., are not subject to the interest charges under s. 40.06 (5), Stats.

These interest assessments have been rare in the past and we therefore expect the fiscal effect to be negligible.

Long-Range Fiscal Implications

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

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

Authorized Signature/Telephone No.

266-5804

Date

8-31-83

FISCAL ESTIMATE WORKSHEET

1983 Session

Detailed Estimate of Annual Fiscal Effect

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Bill No. / Adm. Rule No.

Amendment No.

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

ETF 10.64

Subject

Penalties and interest on Social Security contributions and adjustments.

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:

A. State Costs by Category	Increased Costs	Decreased Costs	
	Salaries and Fringes	\$ -	\$ +
Staff Support Costs	-	+	
Other State Costs	-	+	
Local Assistance	-	+	
Aids to Individuals or Organizations	-	+	
TOTAL State Costs by Category	\$ - 0	\$ + 0	
B. State Costs by Source of Funds	Increased Costs	Decreased Costs	
	GPR	\$ -	\$ +
	FED	-	+
	PRO/PRS	-	+
SEG/SEG-S	-	+	
C. FTE Position Changes	Increased Pos.	Decreased Pos.	
	+ (0)	- (0)	
III. State Revenues	Decreased Rev.	Increased Rev.	
	Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.		
	GPR Taxes	\$ -	\$ +
	GPR Earned	-	+
	FED	-	+
	PRO/PRS	-	+
SEG/SEG-S	-	+	
TOTAL State Revenues	\$ - Negligible	\$ +	

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ -	\$ +	Total Costs	\$ -	\$ +
Total Revenues	+	-	Total Revenues	+	-
NET Impact on State Funds	\$ (+) or (-)	negligible	NET Impact on Local Funds	\$ (+) or (-)	None

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

Authorized Signature/Telephone No.

Date

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

Diane M. Bass 266-5804

8-31-83



State of Wisconsin \ DEPARTMENT OF EMPLOYEE TRUST FUNDS

July 6, 1984

Gary I. Gates
Secretary

201 EAST WASHINGTON AVENUE
P.O. BOX 7931
MADISON, WISCONSIN 53707

IN REPLY REFER TO:

Gary Poulson
Assistant Revisor of Statutes
411 West State Capitol
Madison, WI 53702

RECEIVED

JUL 9 1984

Revisor of Statutes
Bureau

Dear Gary

Re Clearinghouse Rule No. 84-19

Enclosed is a Certificate and two copies of an Order Repealing and Recreating a Rule. A certified copy of this order has also been forwarded to the Secretary of State.

Sincerely

Diane M. Bass
Board Coordinator
(608) 266-5804

DMB/sb 5/B11