

CR 84-181

CERTIFICATE

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

RECEIVED

FEB 15 1985
11:05 am
Revisor of Statutes
Bureau

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 creation of rules relating to reporting of creditable service to the Department of Employee Trust Funds was duly approved by the Employee Trust Funds, Wisconsin Retirement and Teachers Retirement Boards and adopted by this department on February 15, 1985.

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 here unto set my hand at 201 East Washington Avenue, in the City of Madison, this 13th day of February, 1985.

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

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS
REPEALING AND CREATING RULES

To repeal Chapters TR 3 and Ret 2 and to create ETF 10.01(4m), ETF 10.03 and ETF 10.07, relating to reporting of creditable service to the Department of Employee Trust Funds.

Analysis Prepared by the Department of Employee Trust Funds

Section 40.02(17), Stats., provides for the manner in which service is credited for purposes of determining eligibility for and amount of the benefits administered by the department. In situations where a person is employed for less or more than what is considered full-time by that employer, where a person is employed in more than one employment category by the same employer, or where a person is on a paid leave of absence, s. 40.02(17)(intro.), Stats., provides that rules shall be promulgated to govern the reporting and crediting of such service. Finally ss. 40.02(3) and (17)(intro.) provide that what is considered a "school-year" for teachers shall be established by rule and the rules may provide for differing equivalents of creditable service for different types of employment.

SECTIONS 1 and 2 repeal rules the provisions of which either are obsolete (Ret 2.02, Ret 2.51, Ret 2.52), have been incorporated into current statutes (TR 3.01, TR 3.02(1), TR 3.05, Ret 2.01, Ret 2.22 through 2.25, and Ret 2.61), or are continued in the rules being created.

SECTION 3 of this rule clarifies that a school year begins on July 1 and ends on the next June 30.

SECTION 4 provides that all service shall be reported to the department in hours with the 8 hour day as the standard for what is considered full-time. Previously employers of teachers reported such service in days and employers of non-teachers reported service in months and half-months. This section further provides a method for the employer to convert to the full-time standard in situations where the established workday is other than 8 hours. This section provides that a full year of service for service as a teacher is 1,320 hours and for service as a non-teacher is 1,904 hours. This not only continues the distinction between teacher and non-teacher employment as established in previous rule but also recognizes the unique work cycle of teachers.

SECTION 4 also provides for situations in which either a person is employed in more than one employment category by the same employer, or the total number of hours worked per year exceeds the full year equivalent established, and for reporting service of part-time local elected officials.

SECTION 5 provides reporting standards when an employe is on a paid leave of absence.

These rules and repeals are related to or interpret ss. 40.02 (3), (16), (17)(intro.) and (c), (40) and (46); 40.03 (1) (g); 40.08 (4); 40.21 (6); and 40.22, Stats.

Pursuant to the authority vested in the secretary of the department of employe trust funds by ss. 40.02(3) and (17)(intro.) and s. 40.03 (2) (i), Stats., the secretary of the department of employe trust funds hereby repeals and recreates rules interpreting ss. 40.02(3), (16), (17)(intro.) and (c), (40) and (46); 40.03 (1) (g); 40.08 (4); 40.21 (6); and 40.22, Stats., as follows:

SECTION 1. Chapter TR 3 is repealed.

SECTION 2. Chapter Ret 2 is repealed.

SECTION 3. ETF 10.01(4m) is created to read:

ETF 10.01(4m) "School Year" means, for purposes of s. 40.02(3), Stats., the period beginning July 1 and ending the following June 30.

SECTION 4. ETF 10.03 is created to read:

ETF 10.03 CREDITABLE SERVICE. (1) For annual earnings periods beginning on or after January 1, 1985, each participating employer shall determine and report service in hours for each participating employe in the manner prescribed in this section. Earnings which are paid to a teacher, as defined in s. 40.02(55), Stats., who has contracted to receive such payments on either a 9 or 10 month contract basis, and which are paid after the beginning of a school year, as defined in s. ETF 10.01(4m), for services rendered in the preceding school year, are deemed to be received by the teacher on June 30 of the preceding school year for purposes of reporting service to the department.

(2) The full-time equivalent of one day of service is 8 hours. If an employer has established workdays of other than 8 hours as full-time employment for some or all of its employees, the number of hours to be reported within a reporting period is determined by the participating employer by dividing the number of hours for which earnings are paid to the employe in the reporting period by the number of hours which would have been worked in that reporting period by a regular full-time employe of that employer in the same kind of employment and multiplying the result by 40 times the number of weeks and fractions of a week in the reporting period.

(3) For purposes of s. 40.02(17), Stats., the full-time equivalent of one year of creditable service for a teacher, as defined in s. 40.02(55), Stats., who is not an executive participating employe, as defined in s. 40.02(30), Stats., is 1,320 hours and for all other participating employes the full-time equivalent of one year of creditable service is 1,904 hours.

(4) When a participating employe receives earnings from the same participating employer for employment in more than one of the categories under s. 40.23(2)(b), Stats., then the following tests shall be applied by the participating employer when service and earnings are reported:

(a) If employment in each of the categories meets the requirements of s. 40.22, Stats., by itself then the earnings and service shall be reported separately for each category.

(b) If employment in any one category meets the requirements of s. 40.22, Stats., and all other employment does not, then earnings and service shall be added to and reported under the one category which meets the eligibility requirements of s. 40.22, Stats.

(c) If employment in more than one category meets the qualifying requirements of s. 40.22, Stats., and all other employment does not, then earnings and service for employment in those categories which do not meet the qualifying requirements of s. 40.22, Stats., shall be added to and reported under:

1. That qualifying category in which the greatest number of hours is worked,
or

2. The lowest numbered subd. under sub. (5)(b) if the greatest number of hours worked is equal in 2 or more qualifying categories.

(d) If employment in none of the categories meets the requirements of s. 40.22, Stats., separately, but those requirements are met when the employment is added together then earnings and service shall be added to and reported under:

1. That category in which the greatest number of hours is worked, or

2. The lowest numbered subd. under sub. (5)(b) if the greatest number of hours worked is equal in 2 or more categories.

(5)(a) Fractions of an hour shall be rounded to the nearest hour prior to crediting and if the fraction is one-half hour then the hours credited shall be rounded up to the next whole number.

(b) If the total number of hours reported for an employe within an annual earnings period exceeds the applicable number specified in sub. (3) service shall be allocated and credited in the following sequence:

1. Service as a protective occupation participant not subject to Titles II and XVIII of the federal Social Security Act whose formula rate is determined under s. 40.23(2m)(e)4, Stats.

2. Service as a protective occupation participant subject to Titles II and XVIII of the federal Social Security Act whose formula rate is determined under s. 40.23(2m)(e)3, Stats.

3. Service as an executive participating employe whose formula rate is determined under s. 40.23(2m)(e)2, Stats.

4. Service as an elected official whose formula rate is determined under s. 40.23(2m)(e)2, Stats.

5. Service as a teacher whose formula rate is determined under s. 40.23(2m)(e)1, Stats.

6. Service of a type not covered under subs. 1 to 5.

(c) The earnings shall be reported and credited in full without regard to any allocation of creditable service under par. (b).

(6) (a) For local elected officials who are participating employees, but serving in positions not considered full-time by the local unit of government, the amount of service shall be determined and reported by the employer as follows:

1. For employment which is essentially ministerial in nature, the number of hours reported shall be the actual number of hours for which the employe is paid if a regular work schedule has been established. If there is no regular work schedule, the number of hours reported may not be greater than the quotient derived from dividing the compensation paid during the reporting period by 2 times the minimum hourly wage rate established by the federal Fair Labor Standards Act for non-agricultural employment.

2. For members of governing bodies or other policy-making groups, the number of hours reported shall be the number of hours in actual attendance at meetings of the governing body, the policy-making group or any sub-group thereof and a reasonable amount of time spent in preparation for such meetings, but in no event shall the number of hours determined to have been spent in preparation time exceed twice the number of hours actually spent at the meetings.

(b) In applying the standards set forth in par. (a), it is the responsibility of the local unit of government to maintain the necessary documentation to justify the reasonableness of the basis used in reporting service for local elected officials.

(c) The department may consider other factors in granting creditable service to local elected officials where circumstances warrant and when satisfactory supporting information is provided.

SECTION 5. ETF 10.07 is created to read:

ETF 10.07 LEAVE OF ABSENCE. (1) A person on a paid leave of absence from a position in which the person was a participating employe shall continue to qualify as a participating employe.

(2) Service shall be determined and reported by the employer in the following manner:

(a) If the compensation paid during the leave of absence is less than the earnings paid during the participant's immediately preceding service with that employer in a time period of the same length as the leave, then the service shall be computed by dividing the compensation paid during the leave by the earnings paid in that preceding period and multiplying the result by the service reported for that preceding period.

(b) If the compensation paid during the leave of absence is equal to or greater than the earnings paid during the participant's immediately preceding service with that employer in a time period of the same length as the leave, then the service reported shall be the same as in that preceding period.

(3) Compensation paid during a paid leave of absence shall be treated the same as earnings for purposes of ch. 40, Stats.

NOTE: Implementation of the rules contained in this order requires a new form which will replace several existing forms. These forms are routinely provided by the department at no charge to reporting officials required to use them.

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

February 13, 1985
Date

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

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Wisconsin Banking Adm. Rule No.
ETP 10.01(4m),
10.03, 10.07
Amendment No. if Applicable

Subject
Reporting of creditable service to the Department of Employee Trust Funds.

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

Currently earnings subject to Wisconsin Retirement System contribution and associated service time are required to be reported separately for teachers and non-teachers. In addition the forms used, the reporting frequency and the basis on which service is reported are different between teachers and non-teachers. For employers of both teacher and non-teacher employes, this sometimes causes confusion and creates an undesirable reporting burden.

The proposed rules standardize the basis upon which service is to be reported to the department and eliminate the last remaining barrier to simplification of the reporting process resulting in one form, one reporting frequency and a consolidated reference for determining how service is to be reported and how it will be credited.

The effect of this simplification presumably will be a decrease in administrative costs to local participating employers. Because some employers prepare their reports manually and others use a variety of automated methods, the magnitude of these savings is impossible to measure.

Long-Range Fiscal Implications

Undetermined cost savings.

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

Patricia F. Wiegert 266-3641
Dept. of Employee Trust Funds

Authorized Signature/Telephone No.

Patricia F. Wiegert 266-3641

Date

9/4/84

FISCAL ESTIMATE WORKSHEET

1983 Session

Detailed Estimate of Annual Fiscal Effect

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

~~XXXXXX~~/Adm. Rule No.
 ETF 10.01(4m), 10.03,

Amendment No.

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

Subject

10.07

Reporting of creditable service to the Dept. of Employee Trust Funds.

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

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. - ()

III. State Revenues- Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.

	Decreased Rev.	Increased Rev.
GPR Taxes	\$ -	\$ +
GPR Earned	-	+
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+
TOTAL State Revenues	\$ - 0	\$ + 0

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ -	\$ +	Total Costs	\$ -	\$ + unknown
Total Revenues	+	-	Total Revenues	+	-
NET Impact on State Funds	\$ (+) or (-) 0		NET Impact on Local Funds	\$ (+) or (-) unknown	

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

Patricia F. Wiegert
 Dept. of Employee Trust Funds

266-3641

Authorized Signature/Telephone No.

Patricia F. Wiegert

266-3641

Date

9/4/84



State of Wisconsin \ DEPARTMENT OF EMPLOYEE TRUST FUNDS

February 15, 1985

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
Room 411 West
State Capitol
Madison, WI 53702

RECEIVED

FEB 15 1985

Revisor of Statutes
Bureau

Dear Gary

Re Clearinghouse Rule #84-181

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

Sincerely,

Diane Bass
Policy Analyst
(608) 266-5804

DB/me18