

Clearinghouse Rule 00-062

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

I, Eric O. Stanchfield, Secretary of the Department of Employee Trust Funds and custodian of the official records, certify that the annexed rule, relating to electronic reporting for the Wisconsin Retirement System was duly approved and adopted by the State of Wisconsin Teachers and Wisconsin Retirement Boards on June 22, 2000 and the Employee Trust Funds Board on June 23, 2000.

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

(no seal)

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department of Employee Trust Funds at 801 West Badger Road in the city of Madison, this 11<sup>th</sup> day of August 2000.

Eric O. Stanchfield  
Eric O. Stanchfield



10-1-00

**STATE OF WISCONSIN  
DEPARTMENT OF EMPLOYE TRUST FUNDS, EMPLOYE TRUST FUNDS BOARD  
TEACHERS RETIREMENT BOARD, AND WISCONSIN RETIREMENT BOARD**

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**FINAL DRAFT REPORT ON CLEARINGHOUSE RULE #00-062**

A RULE       creating s. ETF 10.60 (2); renumbering s. ETF 10.60 (2) and (3), Wisconsin  
Administrative Code, relating to electronic reporting for the Wisconsin Retirement  
System.

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### **Agency Person to be Contacted for Questions**

For information about this rule, please contact: Mary Hensen, Program and Planning Analyst, Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931. Telephone: (608) 266-8411. FAX: (608) 267-4549.

### **Statement Explaining Need for Rule**

The Department of Employee Trust Funds is required by Wis. Stats. § 227.10 (1) to promulgate as a rule each interpretation of a statute which it specifically adopts to govern its enforcement or administration of that statute. The rule spells out the manner in which employers should report their annual employee detail to the Wisconsin Retirement System by requiring every employer which employs 250 or more employees to submit the detailed annual earnings report electronically to the Department of Employee Trust Funds. This method of reporting will streamline the Department's processing of annual detail reports, reduce the number of participant account discrepancies due to keying errors, and reduce the cost associated with contracting with private vendors for the keying of paper reports. This rule will also reduce the amount of time spent by internal staff and WRS employers in identifying and resolving discrepancies in participant accounts due to keying errors.

### **Analysis Prepared by the Wisconsin Department of Employee Trust Funds**

*Authority for Rule:* Wis. Stats. § 40.03 (1) (m), and (2) (g), (h) and (i)

*Statutes Interpreted:* Wis. Stats. § 40.06 (1), (2) and (3)

Currently, Wis. Admin. Code s. ETF 10.60 (2) states "The secretary may, for specified employers or types of coverage, provide for summary reporting on a monthly basis to accompany the monthly remittance required in sub. (1) (b), and detailed reporting on a quarterly, semiannual, or annual basis."

The rule does not spell out the manner in which employers should report their annual employee detail to the Wisconsin Retirement System (WRS). Currently, many large employers participating in the WRS continue to report annual detail transactions on paper. This is an inefficient use of time and due to keying errors, can result in participant account errors, which must be corrected at a later date.

This requirement for electronic reporting is similar to that of the Internal Revenue Service (IRS), which requires employers having more than 250 employees to report earnings information on an electronic basis.

**Fiscal Estimate**

The Department estimates that there will be no direct fiscal impact from this proposed rule upon the state or sewerage districts. The Department anticipates some effect upon the fiscal liabilities or revenues of certain counties, cities, villages, towns, school districts, vocational, technical and adult education school districts. We are aware that there are between 35 and 40 employers out of 241 employers with 250 or more employes that may possibly have a fiscal impact as a result of this rule.

**Final Regulatory Flexibility Analysis**

The Department anticipates that the provisions of this proposed rule will have no direct adverse effect on small businesses.

(BEGINNING OF RULE TEXT)

SECTION 1. ETF 10.60 (2) is created to read:

ETF 10.60 (2) Every employer which employs 250 or more employes shall submit the detailed annual earnings report required in the administration of subch. II of ch. 40, Stats., in an electronic format designated by the department.

SECTION 2. ETF 10.60 (2) is renumbered ETF 10.60 (3).

SECTION 3. ETF 10.60 (3) is renumbered ETF 10.60 (4).

(END OF RULE TEXT)

**Effective Date**

This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in Wis. Stat. § 227.22 (2) (intro.).

**Explanation of Modifications as Result of Testimony at Public Hearing**

No testimony was offered at the public hearing. The only modifications made to the text of the rule were in response to the recommendations of the Legislative Council Staff.

**List of Persons Appearing or Registering For or Against the Rule**

No persons appeared or registered either for or against the rule at the public hearing on May 1, 2000. The record was held open for written comments until 4:30 p.m. on May 5, 2000, but no comments were received. Two e-mail messages were received from employers prior to the public hearing and these comments were taken into consideration.

WISCONSIN LEGISLATIVE COUNCIL STAFF

LCRC  
FORM 2

**RULES CLEARINGHOUSE**

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**CLEARINGHOUSE REPORT TO AGENCY**

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[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

**CLEARINGHOUSE RULE 00-062**

AN ORDER to renumber ETF 10.60 (2) and (3); and to create ETF 10.60 (2), relating to electronic reporting for the Wisconsin retirement system.

Submitted by **DEPARTMENT OF EMPLOYE TRUST FUNDS**

03-28-00 RECEIVED BY LEGISLATIVE COUNCIL.

04-24-00 REPORT SENT TO AGENCY.

RNS:GAA:rv;tlu

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached      YES       NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached      YES       NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached      YES       NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached      YES       NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached      YES       NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached      YES       NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

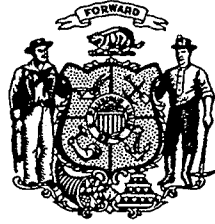
Comment Attached      YES       NO

# WISCONSIN LEGISLATIVE COUNCIL STAFF

## RULES CLEARINGHOUSE

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## CLEARINGHOUSE RULE 00-062

### Comments

**[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]**

#### 2. Form, Style and Placement in Administrative Code

- a. The first SECTION of the rule is incorrectly numbered as SECTION 2, rather than SECTION 1.
- b. In all three treatment clauses, "Section" should be deleted. Also, in the treatment clauses for SECTIONS 2 (the second one) and 3, "to" should be deleted.



**Response to Legislative Council Staff Recommendations**

Each of the Legislative Council Staff recommendations concerning form, style and placement in Administrative Code was adopted. The text of the rule was modified accordingly.

**Board Authorization for Promulgation**

This final draft report on Clearinghouse Rule #00-062 has been duly approved for submission to the Legislature and for promulgation by the Employee Trust Funds Board at its meeting on June 23, 2000, and by both the Teachers Retirement and Wisconsin Retirement Boards at their respective meetings on June 22, 2000.

Respectfully submitted,

DEPARTMENT OF EMPLOYE TRUST FUNDS



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Eric O. Stanchfield, Secretary  
Wisconsin Department of Employee Trust Funds



STATE OF WISCONSIN

**Department of Employee Trust Funds**

Eric O. Stanchfield  
Secretary  
801 West Badger Road  
P.O. Box 7931  
Madison, WI 53707-7931

August 11, 2000

GARY POULSON, DEPUTY REVISOR  
REVISOR OF STATUTES BUREAU  
131 WEST WILSON STREET, SUITE 800  
MADISON WI 53702



Re: Clearinghouse Rule No. 00-062 relating to electronic reporting for the WRS

Dear Mr. Poulson:

As provided under Wis. Stats. § 227.20 (1) and § 227.21 (1), I am enclosing with this letter a copy of a Certificate and Order creating and adopting rules. A certified copy of this Order has been forwarded to the Secretary of State.

Please publish this rule in the September 30 issue of the *Wisconsin Administrative Register* for an effective date of October 1, 2000. A copy of this Certificate and Order will be sent to you as an e-mail attachment.

Please contact Pam Henning, Director of Legislation and Planning, at 267-2929 if you have any questions regarding the rule.

Sincerely,

Eric O. Stanchfield  
Secretary

Enclosure