

CR 86-31

CERTIFICATE

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

RECEIVED

JUN 12 1986
1:15 pm
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 rule relating to remittances and interest charges payable on late paid earnings and retroactive salary settlements for programs administered by the Department of Employee Trust Funds, was duly approved by the Employee Trust Funds, Teachers Retirement and Wisconsin Retirement Boards and adopted by this department on June 9, 1986.

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 10th day of June, 19 86.

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

8-1-86

ORDER OF THE DEPARTMENT OF EMPLOYE TRUST FUNDS
ADOPTING A RULE

To create ETF 10.635, relating to remittances and interest charges payable on late paid earnings and retroactive salary settlements for programs administered by the Department of Employee Trust Funds.

Analysis Prepared by the Department of Employee Trust Funds

This rule clarifies the contribution or premium rate to be used when determining the amount payable on programs administered by the Department of Employee Trust Funds for late-reported earnings, retroactive salary settlements or other types of salary adjustments. The contribution or premium rate to be used is the one in effect at the time the earnings would have been paid if they had been paid in a timely manner except that in accord with federal requirements such earnings are treated totally on a when-paid basis for Social Security.

Small businesses are not affected by this rule.

This rule interprets ss. 40.02 (22) (b) 9, 40.05 and 40.06 (5), Stats., and will be adopted pursuant to the authority vested in the secretary of the department of employee trust funds by s. 40.03 (2) (i), 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 creates a rule interpreting ss. 40.02 (22) (b) 9, 40.04 and 40.06 (5), Stats., as follows:

SECTION 1. ETF 10.635 is created to read:

ETF 10.635 LATE PAID EARNINGS. Except for purposes of s. 40.05 (3), Stats., contributions and premiums due on late-paid earnings, including payments for retroactive changes in earning rates and those considered covered earnings under s. 40.02 (22) (b) 9, Stats., shall be determined at the employee and employer rates which would have been in effect if the subsequent changes and decisions had been known at the time the earnings would normally have been payable and shall be subject to s. 40.06 (5), Stats.

The rule contained in this order shall take effect as provided in s.
227.22 (2) (intro.), Stats.

June 10, 1986
Date

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

FISCAL ESTIMATE

AD-MBA-23 (Rev. 11/84)

- ORIGINAL
- UPDATED
- CORRECTED
- SUPPLEMENTAL

~~XXXXXXXXXX~~ Adm. Rule No.
ETF 10.635
 Amendment No. if Applicable

Subject

Remittances and interest charges payable on late paid earnings.

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

- 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 order clarifies that the contribution or premium rate applicable to late reported earnings or retroactive salary adjustments, for purposes of programs administered by the Department of Employee Trust Funds, is the one in effect at the time the earnings would have been paid, if paid in a timely manner.

It is not possible to estimate the number and amount of late reported earnings which will be affected by this rule. The fiscal effect is indeterminate, although probably minimal.

Long-Range Fiscal Implications

Indeterminate

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

Diane M. Bass 266-5804

Authorized Signature/Telephone No.

Diane M. Bass 266-5804

Date

1-8-86

Department of Employee Trust Funds

FISCAL ESTIMATE WORKSHEET

1985 Session

Detailed Estimate of Annual Fiscal Effect
AD MBA-22 (Rev. 11/84)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

~~XXXXXXXXXX~~/Adm. Rule No. Amendment No.
ETF 10.635

Subject

Remittances and interest charges payable on late paid earnings.

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:	Increased Costs	Decreased Costs
A. State Costs by Category		
Salaries and Fringes	\$ -	\$ +
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Agency Individuals or Organizations	-	+
TOTAL State Costs by Category	\$ -	\$ +
B. State Costs by Source of Funds		
	Increased Costs	Decreased Costs
	\$ -	\$ +
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 Fines	-	+
FED	-	+
PRO PRS	-	+
SEG SEG S	-	+
TOTAL State Revenues	\$ Indeterminate	\$ + Indeterminate

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	\$ (+)	Indeterminate	NET Impact on Local Funds	\$ (+)	Indeterminate

Agency Prepared by: (Name & Phone No.)

Diane M. Bass
Dept. of Employee Trust Funds

266-5804

Authorized Signature/Telephone No.

Diane M. Bass 266-5804

Date

1/8/86



State of Wisconsin \ DEPARTMENT OF EMPLOYEE TRUST FUNDS

June 9, 1986

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
Suite 904, 30 West Mifflin
Madison, WI 53703

Dear Gary:

Re: Clearinghouse Rule No. 86-31

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

Sincerely,

Diane M. Bass
Policy Analyst
(608) 266-5804

DMB/sb M/3
Enclosure