

SPECIAL LEGAL UPDATE



March 18, 2011

Requirement to Deduct Employee Contributions to Wisconsin Retirement System

Ruder Ware recently sent you a Legal Update with information about the employee payment of contributions to the Wisconsin Retirement System. In that Legal Update, we discussed the timeline for beginning to deduct payments from an employee for contributions to the WRS. The Department of Employee Trust Funds also issued a news alert yesterday, which contains more information about the timeline for requiring employee payment to the WRS.

In its newsletter entitled “Information for Employers regarding 2011 Wisconsin Act 10,” the Department of Employee Trust Funds indicated that the date employees must pay the employee required contribution, if there is no existing collective bargaining agreement, is “the first day of the first pay period that begins after March 26, 2011”. The Department of Employee Trust Funds is saying that the effective date of the new legislation is March 26, 2011.

We do not think this changes the timeline for most public employers. If the pay period you selected to begin the employee contribution was the pay period starting on March 27, there is no change in your planning. The payroll starting March 27 would be the first pay period after the effective date of March 26, 2011, and also would satisfy the statutory language that it is the first full pay period after March 13, 2011. For those employers that have a pay period starting on March 19 or March 20, this change would mean that you start the employee contribution in the payroll that begins on April 2/April 3.

This change does not affect employers that have an existing collective bargaining agreement in place and only applies to situations where employees are required to make the employee contribution immediately.

Please feel free to contact Dean Dietrich, the author of this e-alert, or any of the attorneys in the Local Government & Municipalities Focus Team of Ruder Ware: Jeff Jones, Steve Lipowski, Randi Osberg, Ron Rutlin, Mary Ellen Schill, or Chris Toner if you have questions in regard to this update.

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