



# EMPLOYER BULLETIN

Employer Communication Center  
(608) 264-7900 or toll free (888) 681-3952

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- **Federal Minimum Wage Increases May Affect Service for Some WRS Part-Time Local Elected Officials**
- **Online Network for Employers (ONE) Application Enhancement**

## Federal Minimum Wage Increases

On May 25, 2007, President Bush signed a spending bill that amended the Fair Labor Standards Act (FLSA) to increase the federal minimum wage in three steps:

- \$5.85 per hour effective July 24, 2007
- \$6.55 per hour effective July 24, 2008
- \$7.25 per hour effective July 24, 2009

The minimum wage increases may have an effect on the number of hours reported for some part-time local elected officials (employment category 09) who are eligible to participate in the Wisconsin Retirement System (WRS). Part-time service is defined as service in a position usually requiring less than 1,044 hours of duty per calendar year.

The change in the FLSA minimum wage **does not** affect your determination of WRS eligibility for part-time local elected officials. All employees expected to work one-third of full-time per year (defined as 600 hours for non-teaching employees and 440 hours for teachers) AND be employed for at least one year from their date of hire must be enrolled in the WRS upon hire.

Once you determine your part-time local elected official is WRS eligible, you must determine and report their service hours in accordance with Wis. Admin. Code ETF 10.03 (6), based upon the type of elected position held, as follows:

- **Employment essentially ministerial in nature** – Report the actual number of hours for which the individual is paid if a regular work schedule has been established. When no regular work schedule exists, the number of hours reported may not be greater than the number derived by *dividing their compensation by 2 times the federal minimum wage.*
- **Members of governing bodies or other policy making groups** – Report the number of hours in actual attendance at meetings of the governing body or policy-making group and a reasonable number of hours spent in preparation for such meetings. Preparation time hours reported cannot exceed twice the number of hours actually spent in attendance at the meetings.

Due to the increase in the federal minimum wage, the number of hours reported to the WRS will decrease for a part-time local elected official in a ministerial position, such as clerk, mayor, treasurer, etc., who does not have an established work schedule.

Example:

Before increase	After increase
\$5.15 x 2 = \$10.30	\$5.85 x 2 = \$11.70
Annual Earnings: \$16,000	Annual Earnings: \$16,000
\$16,000 ÷ 10.30 = 1,553 hours reported to WRS	\$16,000 ÷ 11.70 = 1,368 hours reported to WRS

For additional information on part-time local elected officials you may refer to subchapter 514 of the *WRS Administration Manual* (ET-1127). For questions related to the effect of the FLSA minimum wage on part-time local elected officials you may contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.

## **Announcing ONE Application Enhancement**

The Department of Employee Trust Funds (ETF) is pleased to announce the following enhancements to the Online Network for Employers' WRS Account Update:

- Termination transactions without hours and earnings will now be accepted for employees no longer employed if you have previously reported all hours and earnings.
- The "Report Date" on enrollment transactions may now be updated when necessary. This update is used during the annual reconciliation process when a previous year enrollment needs to be entered for an employee's annual service and earnings data to be processed.

Enhancements continue to be made based on input from you and employers attending WRS regional training or contacting the Employer Communication Center. We appreciate your suggestions and will continue to consider all suggestions in future enhancements.

## **Reminder: File Transfer Protocol (FTP) and Diskette No Longer an Option for Annual Reporting**

As previously communicated, beginning with the 2007 annual reporting period, ETF will no longer accept annual reports on diskette or via File Transfer Protocol (FTP). If you reported your 2006 annual report using either of these methods you must take the necessary steps to gain access to the ONE site for 2007 in order to report electronically.

Annual reporting via ONE is required for employers with 250 or more employees. ONE's "WRS Transaction Upload" application replaces FTP and diskettes as the preferred method for electronic reporting of annual transactions. The application makes the annual reporting process more efficient and effective. Please refer to *Employer Bulletin* Vol. 23, No. 18, dated December 13, 2006, for more detailed information.

## **Requesting Access to ETF's Online Network for Employers Applications**

Please complete and submit for authorization an *Online Network for Employers Security Agreement* (ET-8928). The approval process may take up to three weeks to complete. The security agreement is available online at the following address: <http://etf.wi.gov/publications/et8928.pdf>

ETF does not discriminate on the basis of disability in the provision of its programs, services, or employment. Should questions relating to ETF's ONE site remain after consulting the *Online Network for Employers User Manual* (ET-1733), or if you need printed material interpreted or published in a different format, please contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900.