



Department of Workforce Development

WORKING TO END EXPLOITATION



Greetings:

For generations, Wisconsin's prosperity and promise have resulted from hard work and the careful balance of rights and responsibilities among workers and employers.

In 1911, Wisconsin was first in the nation with a no-fault Worker's Compensation law that withstood a constitutional challenge to support workers injured on the job while protecting employers from costly legal action. In 1932, Wisconsin was again first in the nation, this time with an Unemployment Insurance system designed to deliver benefits to workers who lose a job through no fault of their own while stabilizing the economy and securing the pool of skilled workers for all employers.

Wisconsin's leadership continued in 1982, when the state made history by being the first in the nation to ban discrimination in employment, housing, and public accommodations based on sexual orientation.

Today, Wisconsin's leadership continues through efforts to enforce wage and hour laws, help employers understand their responsibilities, and use stakeholder insights to inform workplace protections for minors and migrant and seasonal farmworkers, among others.

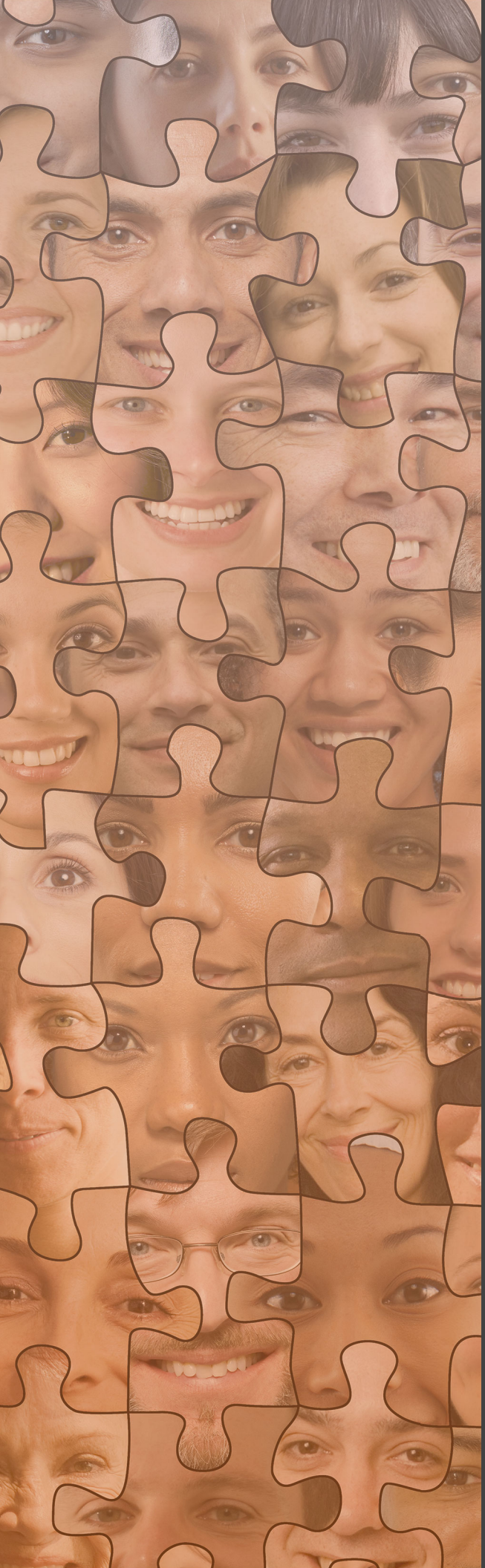
This legacy of leadership and the record-breaking performance of Wisconsin's economy are among the reasons I'm proud to share this report on the Department of Workforce Development's (DWD) efforts to combat exploitive labor practices while advocating for workers, employers, and job seekers. The success of the partnerships involving industry, labor, government, education, and nonprofit organizations can be seen in the results detailed on the following pages.

From education and outreach efforts with employers to public information campaigns that prevent worker misclassification to combating human trafficking to obtaining back wages for workers, DWD continues to lead the way in ending worker exploitation and establishing an even playing field for all employers. Thank you for your support.

Sincerely,



Amy Pechacek
Secretary
Wisconsin Department of Workforce Development



CONTENTS

2 DWD STRIVES TO COMBAT WORKER EXPLOITATION,
EVEN THE PLAYING FIELD FOR EMPLOYERS

4 EQUAL RIGHTS DIVISION

6 UNEMPLOYMENT INSURANCE DIVISION

8 DIVISION OF EMPLOYMENT AND TRAINING

12 WORKER'S COMPENSATION DIVISION

WORKING TO END EXPLOITATION

DWD advocates for the protection and economic advancement of all Wisconsin workers, employers, and job seekers, and envisions a thriving economy in which all workers are treated fairly, with dignity and respect.

DWD STRIVES TO COMBAT WORKER EXPLOITATION, EVEN THE PLAYING FIELD FOR EMPLOYERS

Overview

The Department of Workforce Development strives to make Wisconsin a fair and just place for all people to live and work. DWD advocates for the protection and economic advancement of all Wisconsin workers, employers, and job seekers, and envisions a thriving economy in which all workers are treated fairly, with dignity and respect.

The department recognizes that worker exploitation poses a significant threat to Wisconsin workers, their families, and their communities. Exploitive labor practices also hurt Wisconsin's economy because employers that play by the rules face a competitive disadvantage.

Worker exploitation can take many forms. Among the most common are failing to provide safe and sanitary working conditions, wage and hour violations, human trafficking, and depriving employees of the benefits they've earned through worker misclassification.

Combating worker exploitation represents a key focus of DWD, and the department works closely with partners from industry, labor, education, government, and the nonprofit sector to administer the law while educating workers, employers, and job seekers about their rights and responsibilities.

DWD's collaborative work to combat worker exploitation and create an even playing field for all employers involves:

- Conducting outreach and education to help workers and employers understand their rights and responsibilities.
- Providing training and resources to combat human trafficking.
- Strengthening partnerships to identify and address challenges facing vulnerable workers, including youth, people with disabilities, veterans, migrant seasonal workers, immigrants, and low-skilled workers.
- Administering programs and associated rules that assure health and safety standards for vulnerable workers on the job and in housing.
- Enforcing minimum wage and overtime laws, discrimination laws, unemployment insurance laws, worker's compensation laws, and more.
- Conducting audits, investigations, and inspections to assure compliance.
- Issuing penalties and referring cases for prosecution.
- Working with stakeholders – including employers and worker representatives – to develop rules that enhance the safety and health of workers.



Key Measures of Success

DWD's efforts to combat worker exploitation are delivering results. Among the recent highlights across the department's Equal Rights Division (ERD), Unemployment Insurance (UI) Division, Division of Employment and Training (DET), and Worker's Compensation (WC) Division:

- **Labor standards cases and back wages collected:** In 2023, the last full year for which data is available, ERD received some 2,985 labor standards claims related to wage and hour issues, including child labor concerns. The division referred 64 of those cases to the Wisconsin Department of Justice (DOJ) or county district attorneys for litigation. The division recovered some \$895,674 in wages and penalties owed to workers through ERD's administrative enforcement of wage and hour laws.
- **Number of child labor permits issued:** From January through Dec. 1, 2024, ERD issued 29,719 work permits for youth aged 14 and 15, a process that supports safe and lawful employment conditions for young workers.
- **Field investigations find misclassified workers:** From January through early October 2024, Unemployment Insurance worker classification investigators have conducted 470 worker classification field investigations. These investigations resulted in 147 audit referrals to the division's tax auditors. Those referrals resulted in UI division tax auditors identifying 1,477 misclassified workers and the assessment of over \$400,500 in UI taxes and interest.
- **Unpaid UI taxes recovered:** In 2023, UI division tax auditors conducted 1,968 total audits, which identified 6,660 misclassified workers. As a result, employers were assessed a total of \$1.2 million in unpaid UI taxes and \$166,780 in interest.
- **UI labor trafficking referrals on the rise:** Since its inception in 2013, the UI worker classification investigation team has identified and referred 29 instances of potential human or labor trafficking to collaborating agencies. This includes the DOJ, 28 cases; the U.S. Department of Labor's Office of the Inspector General (U.S. DOL OIG), one case; FBI, one case; and U.S. Immigration and Customs Enforcement, one case. The numbers total more than 29 because two of the DOJ referrals were also sent to U.S. DOL OIG and FBI. Of the 29 instances of potential human or labor trafficking referrals, two were prior to 2023, seven were in 2023, and 20 were in 2024.
- **Migrant labor camps inspected:** In 2024, DWD's Migrant and Seasonal Farm Worker Program inspected and certified 288 migrant labor camps to house migrant workers.
- **Heat and housing rules developed:** In 2024, DWD revised the health and safety protections for migrant labor camps and housing to include new heat protections, updated field sanitation requirements, and reporting requirements for certain diseases and symptoms through a collaborative rulemaking process with input from members of the Migrant Labor Council, including employer and employee representatives, as well as other stakeholders.
- **Penalties collected for Uninsured Employers Fund:** The Wisconsin Worker's Compensation Uninsured Employers Fund is funded through penalties assessed against employers for illegally operating a business without worker's compensation insurance. The WC division conducts an average of more than 23,000 investigations each year. In 2023, the last year for which figures are available, the division issued more than 3,500 penalties and collected more than \$7.6 million for the fund.
- **Achieving Worker's Compensation compliance:** The WC Division uses a variety of tools including outreach, education, and enforcement to bring employers into compliance with WC laws. During 2023, 1,163 employers were brought into compliance.

The following sections detail work by DWD's divisions to combat worker exploitation, advance a thriving economy, and establish an even the playing field for all employers.



EQUAL RIGHTS DIVISION

Labor Standards Claims and Wage Collection

In 2023, the last full year for which data is available, DWD's ERD received some 2,985 labor standards claims related to wage and hour issues, including child labor concerns. The division referred 64 cases to DOJ or county district attorneys for litigation. The vast majority of these referrals were to district attorneys throughout the state. The division also recovered some \$895,674 in wages and penalties owed to the workers. This figure represents the wages that were recovered on behalf of employees without litigation.

From January through Dec. 1, 2024, ERD received 2,985 labor standards cases. Of those, eight have been referred for litigation and many more remain under investigation. Investigating complicated labor standards cases may take up to six months to complete, particularly where litigation may be necessary, such as cases involving multiple employees and cases involving the employment of minors. From January through Dec. 1, 2024, ERD recovered \$998,394.77 in wages and penalties owed to workers through ERD's administrative efforts.

As part of this work, ERD works closely with the Migrant and Seasonal Farmworker Section of DET to investigate wage and hour cases involving migrant workers in the state.

In addition to referring wage claims to DOJ and district attorneys, ERD works with DOJ to protect workers' wages that are owed by placing liens on the property of employers who are subject to wage claims.

Work Permits

From January through Dec. 1, 2024, ERD issued 29,719 work permits for youth aged 14 and 15. To help protect Wisconsin's youngest workers, youth aged 14 and 15 are required to have a work permit before they can work in any job except agriculture or domestic service work. The minor work permit process helps the division ensure safe, lawful working conditions for minors.

Building on improvements in customer service throughout DWD, in June 2023 ERD launched a new online work permit application that removes the barrier of travel and makes the process of obtaining a work permit more accessible and convenient. This update dramatically increases the accessibility of the work permit system by not requiring the permit seeker to go in person to the work permit office.

Statement of Interest

A request for a statement of interest for deferred action is a request by an individual or their representative for DWD to ask the U.S. Department of Homeland Security (U.S. DHS) to exercise its prosecutorial discretion by not removing certain individuals without employment authorization, on a case-by-case basis, while there are pending labor standards or other employment-related actions involving those individuals.

DWD has no authority over such removal actions; rather, DWD asks U.S. DHS to exercise its prosecutorial discretion by temporarily refraining from removing certain individuals.

Workers are sometimes afraid to report violations of law by exploitative employers or to cooperate in employment and labor standards investigations because they fear removal or other immigration-related retaliation due to reports by an abusive employer. DWD is engaging in this process because it agrees with U.S. DHS that the practice of protecting those who lack employment authorization directly increases its ability to more fully investigate worksite violations and supports DWD's efforts in holding abusive employers accountable, which protects all Wisconsin workers.



Cross-Agency Collaboration on Labor Trafficking Training

ERD is currently developing comprehensive training on labor trafficking that will be released in 2025. The training will be offered free to employers and their employees.

The training will cover all aspects of labor trafficking, including sex trafficking and the role of employees in the hospitality industry in recognizing and reporting trafficking. The training is aimed at employees such as security officers, public transit managers, and those in the hospitality industry who are likely to interact with the public and vulnerable individuals. The training will help these employees to identify signs of trafficking and recognize the appropriate agency or law enforcement entity to contact for a response to potential trafficking.

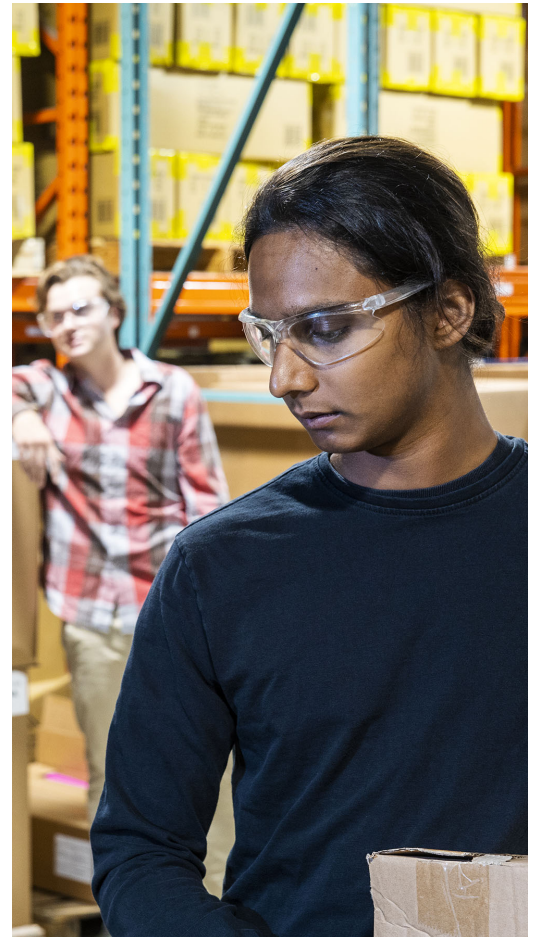
Worker Misclassification Outreach

When employers misclassify workers, everybody loses. Worker misclassification occurs when an employer treats individuals as independent contractors when they are employees.

Employers who misclassify workers as independent contractors gain an unfair competitive advantage over other employers by avoiding paying taxes and benefits, such as unemployment insurance taxes, state and federal income tax withholding, worker's compensation coverage, and Social Security and Medicare taxes. The practice disproportionately affects underrepresented communities such as minors, migrant and seasonal laborers, immigrants with limited English proficiency, and other vulnerable workers. It also results in millions of dollars in losses to state government and taxpayers due to underreported wages.

Under the law, workers are presumed to be employees unless the employer proves that workers meet the legal criteria to be independent contractors.

Through a grant from the U.S. Department of Labor, on Oct. 16, 2023, DWD launched a Worker Misclassification outreach campaign that aimed to raise awareness of what it means to be a misclassified worker and the rights and protections that misclassified workers miss out on. The campaign, which included billboards, digital displays, and social media ads generated more than more than 6,100 views to a new worker misclassification webpage, dwd.wi.gov/misclassification, and drew more than 4,900 unique visitors through the end of December 2023. More than 50% of the website traffic came from Spanish language ads and more than 50% of the website traffic came from the Milwaukee area. Meanwhile, more than 400,000 social media impressions resulted from top performing Spanish language ads.



ERD TESTIMONIAL

Wisconsin Fair Employment Law Outreach and Education

“ Thank you again for your assistance and the training your team provided. The team presented the material excellently, and we will utilize your services in the future. The slideshows were helpful and will be part of our HR tool kit for reference. ”

- Jose P., an HR generalist with a Sturtevant-area manufacturer

UNEMPLOYMENT INSURANCE DIVISION

Overview

DWD's UI Division plays a critical role in combating worker misclassification through its Integrity and Worker Classification Section. The section is composed of 12 full-time and one part-time staff members – most with backgrounds in law enforcement specializing in white collar and economic crimes – who conduct worksite investigations to see if worker misclassification has occurred.

Worker classification investigators conduct field investigations and, depending on the outcome, refer cases to UI tax auditors. Tax auditors then conduct worker misclassification audits and, if appropriate, assess unpaid UI taxes and interest to the subject employer.

Worker Classification Investigations

In 2023, UI worker classification investigators conducted 717 worker classification field investigations. These investigations resulted in 187 audit referrals to the division's tax auditors. Those referrals resulted in the identification of 2,471 misclassified workers and the assessment of \$514,061 in UI taxes and \$65,779 in interest.

From January through early October 2024, UI worker classification investigators have conducted 470 worker classification field investigations. These investigations resulted in 147 audit referrals to the division's tax auditors. The referrals resulted in the identification of 1,477 misclassified workers and the assessment of over \$400,500 in UI taxes and interest.

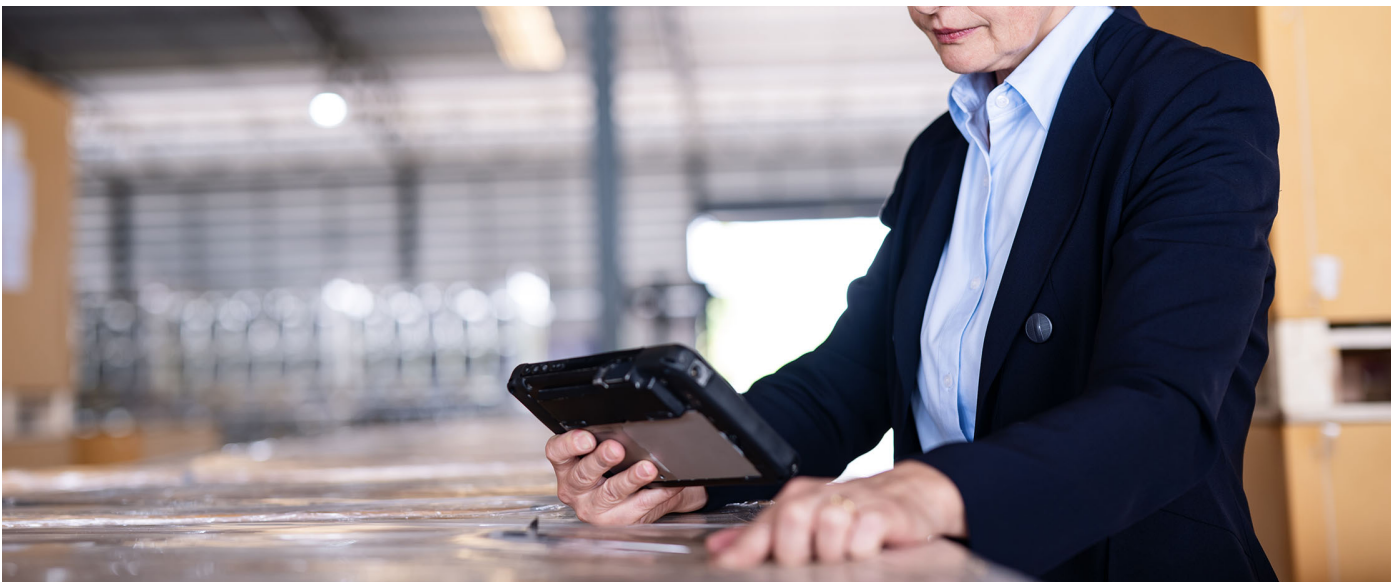
Since its launch in 2013, UI Integrity and Worker Classification Section investigators have:

- Conducted more than 5,000 investigations;
- Referred about 25% of investigations for audit;
- Identified 14,525 misclassified workers; and
- Helped assess \$4.7 million in UI taxes and interest.

UI Tax Audits

In 2023, UI division tax auditors conducted 1,968 total audits, which identified 6,660 misclassified workers. As a result, employers were assessed a total of \$1.2 million in unpaid UI taxes and \$166,780 in interest. These figures include the referrals from the the UI worker classification investigation unit.

The department works toward voluntary compliance by employers. In some cases, employers refuse to comply with the UI law and continue to misclassify workers. In those cases, the department can issue administrative penalties for intentional misclassification of \$500 per worker, up to a maximum of \$7,500. In 2023, the department issued 15 penalties to employers for intentional misclassification totaling \$74,000.



Working with and Referring Cases to Other Agencies

UI's worker classification investigators frequently uncover evidence of other violations while conducting field investigations.

Since the UI worker classification investigation unit's inception in 2013, the team has referred 778 businesses that did not have Worker's Compensation coverage to the department's Worker's Compensation Division.

During their investigations, UI investigators also have encountered individuals and organizations suspected of human and labor trafficking. Since inception, the worker classification investigation team has identified 29 instances of potential human or labor trafficking. Referrals for these potential human or labor trafficking cases include:

- DOJ: 28.
- U.S. DOL's OIG: One.
- FBI: One.
- U.S. Immigration and Customs Enforcement: One.

The numbers total more than 29 because two of the DOJ referrals were also sent to the OIG and FBI. Of the 29 instances of potential human or labor trafficking referrals, two were prior to 2023, seven were in 2023, and 20 were in 2024.

Worker classification investigators have worked with the Internal Revenue Service (IRS) on a criminal case involving a drywall and construction contractor from Verona who engaged in income tax evasion. The case resulted in an August 2023 conviction and prison time for the contractor due to investigation by UI's investigators, the [IRS Criminal Investigation](#), and prosecution by [Assistant U.S. Attorney Aaron Wegner](#).

Continued UI Work

UI's Integrity and Worker Classification Section has served as a model for worker misclassification investigations and educational outreach.

In April 2023, leadership from UI's Bureau of Legal Affairs published an article, "Worker Classification: It's Everyone's Business" in the Wisconsin Institute of Certified Public Accountants' magazine, On Balance. The article provides an overview of worker classification, the process of UI's worker classification investigations, and penalties and assessments for those who misclassify, while providing multiple resources for professionals to learn more about worker classification.



DIVISION OF EMPLOYMENT AND TRAINING

Services and programs for seasonal agricultural workers

In administering Wisconsin's migrant labor laws, the department certifies migrant labor camps, ensures written recruiting disclosure statements and migrant labor worker agreements are compliant with state and federal requirements, inspects camps for compliance with housing requirements, inspects operations with migrant workers engaged in hand labor for compliance with field sanitation standards, reviews requests for variances, and issues notices of violation. The department also investigates and responds to complaints alleging violations of state requirements and manages referrals to regulatory agencies outside of the department, including the U.S. DOL, Equal Employment Opportunity Commission (EEOC), and Occupational Safety and Health Administration (OSHA).

Enacted in 1977, the Wisconsin Migrant Labor Law [ss. 103.90-103.97](#) provides standards enforced by the department for the employment of migrant workers, including:

- Wages, hours, and working conditions of migrant workers.
- Certification, maintenance, and inspection of migrant labor camps.
- Certification of migrant labor contractors.
- Recruitment and hiring of migrant workers.
- Field sanitation standards for migrant workers engaged in hand labor.

The department also administers the state's responsibilities under the federal Foreign Labor Certification (FLC) Program, which allows for the hiring of foreign workers if employers can demonstrate there are not enough U.S. workers available who are willing and qualified to perform the work at wages that meet or exceed the prevailing wage for the occupation under consideration. The FLC Program includes H-2A certifications and H-2B certifications. H-2B certifications cover foreign workers hired for non-agricultural employment. H-2A workers are foreign workers hired to fill temporary agricultural jobs.

The department is also responsible for conducting housing inspections for H-2A workers, developing outreach plans to H-2B and H-2A employers, and conducting prevailing practice surveys.

The department's Migrant Seasonal Farm Worker (MSFW) Program covers the administration and oversight activities for both the Wisconsin's Migrant Labor Law and the FLC H-2A certification program.

Through DET's Migrant and Seasonal Farm Worker Section, DWD provides the same workforce development services to migrant and seasonal farm workers (MSFWs) as are provided to non-MSFW job seekers. States are required to deliver all workforce development related services, benefits and protections, career guidance/counseling, testing, job development, job training, and referral services to MSFWs on an equitable and non-discriminatory basis.

In addition, DWD's Migrant and Seasonal Farm Worker Program provides protections to seasonal agricultural workers who travel from outside Wisconsin to work in planting, cultivating, raising, harvesting, handling, drying, packing, packaging, processing, freezing, grading, or storing of any agricultural or horticultural commodity in its unmanufactured state for 10 months or less.

The protections include inspecting and certifying the housing for MSFW workers annually. In 2024, 288 migrant labor camps were inspected and certified to house migrant workers.

The program also conducts post-housing inspections. Migrant labor inspectors conduct these inspections after workers arrive to ensure that the migrant labor camps are being maintained properly and workers' housing is still safe.



The migrant and seasonal farm worker program requires every migrant labor contractor or employer to provide its migrant workers with a disclosure statement and work agreement. These two documents ensure that workers understand what to expect when they travel to Wisconsin to work in agriculture as migrant workers. The documents protect workers from misleading recruitment tactics and cover the following:

- All employers or migrant labor contractors must provide workers a written recruiting disclosure statement at the time of recruitment. The written recruiting disclosure statement must contain all the terms and conditions of the job offer.
- The employer or migrant labor contractor must enter a work agreement with each migrant worker upon hire. The work agreement is a contract that contains the terms and conditions of employment.
 - The terms and conditions include:
 - ◆ A statement of the place of employment.
 - ◆ Kind of work available.
 - ◆ Applicable wage rates.
 - ◆ Pay period.
 - ◆ Approximate hours of employment including overtime applicable.
 - ◆ Term of employment including approximate beginning and ending dates.
 - ◆ Kind of housing and any charges connected to it.
 - ◆ Cost of meals if provided by the employer.
 - ◆ Transportation arrangements.
 - ◆ The names of everyone in the family employed.
 - ◆ Any other charges or deductions from wages beyond those required by law.
 - ◆ Minimum work guarantee as described in [s. 103.915\(4\)\(b\)](#).
- The employer must comply with the terms and conditions described in the work agreement.
- DWD can enforce the terms of the work agreement on behalf of the migrant worker.

For migrant workers employed exclusively in agricultural labor as defined in [s. 108.02 \(2\)](#), state migrant labor law restricts hours of labor. Workers cannot work more than 12 hours in one day, 60 hours in a week, or more than six days in a week. A worker may choose to work more than these hours, but an employer cannot require it.

DWD certifies migrant labor contractors. This includes all individuals who, for a fee or other consideration, on behalf of another person, recruit, solicit, hire, or furnish migrant workers, excluding members of the contractor's immediate family, for employment in this state. Any individual who conducts migrant labor contractor duties for a migrant labor contractor must also apply and be approved by DWD.

In 2024, with input from members of the Migrant Labor Council, including employer and employee representatives, as well as other stakeholders, DWD revised the health and safety protections for migrant labor camps and housing to include:

- Requirements for reporting certain diseases and symptoms to local health officials, and for sick workers to be isolated.
- New field sanitation standards to prevent heat illnesses such as the development of a heat illness prevention plan. The prevention plan must, among other requirements, allow for shade and breaks when temperatures exceed 80 degrees. The plan also must include additional procedures when temperatures exceed 95 degrees, such as ensuring workers are aware of their right to take breaks, and empowering workers to call for emergency service when necessary.
- Various other revisions to promote health and safety in migrant labor camps, such as updated requirements for urinals and showerheads, improved access to washers and dryers, and other safety updates.



H-2A Visa Holders and State Migrant Labor Law Protections

DWD also administers state requirements as part of the H-2A visa program. Most H-2A workers meet the definition of a migrant worker under the state Migrant Labor Law. DWD can enforce state law protections for H-2A workers. Employers of H-2A workers are required to provide a copy of the U.S. DOL's Agricultural Clearance Order Form ETA-790, which lays out the terms and conditions of employment and which DWD can enforce as the work agreement.

Examples & Testimonials

An H-2B worker reached out to the foreign labor certification coordinator about their termination by their employer. The worker was concerned about paying for their return flight. The section chief contacted the employer and reminded them of their requirements under the H-2B regulations to pay for return transportation for all H-2B workers regardless of the duration of their contract. The employer paid for the worker's return trip.

DWD does not have enforcement authority for H-2B regulations, however, the department will attempt informal resolution before referring to U.S. DOL's Wage and Hour Division.

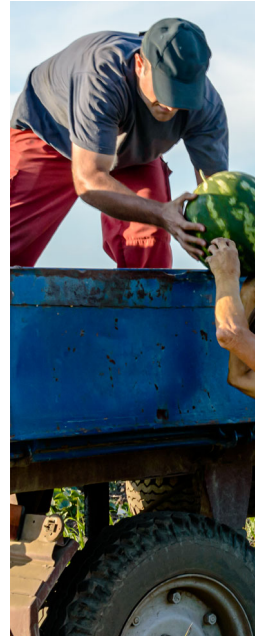
A DWD foreign labor certification coordinator received several complaints from H-2B workers about the same employer. These complaints were referred to U.S. DOL's Wage and Hour Division, who indicated to DWD that due to the number of complaints, the division would open an investigation into that employer.

Migrant workers reached out to a migrant labor inspector about not being paid their wages. The migrant labor investigation resulted in over \$6,000 in wages and transportation reimbursements to be paid to over 54 migrant workers. The employer worked with the migrant labor inspector and reimbursed the workers.

An outreach staff member took a complaint from an H-2A worker who complained that they were not provided the appropriate equipment and safety gear to do their job. The complaint was referred to OSHA. OSHA reached out to share with DWD that since this was the second complaint DWD referred regarding this employer, OSHA would conduct an onsite investigation.

An H-2A worker contacted an outreach worker. The worker was being required to pay for cell phone services as part of their job. DWD contacted the employer, and the cell phone charges were refunded. The employer said they offered the cell phone as a benefit. However, they agreed that the way it was presented to the workers, it came across as a requirement of the job.

An H-2A worker contacted a migrant labor inspector and reported that he was required to pay for laundry. Laundry services are to be provided by H-2A employers. All H-2A workers at the place of employment were reimbursed for their laundry costs from the beginning of the contract.



Outreach to Seasonal Agricultural Workers

DWD conducts a variety of outreach to seasonal agricultural workers, both local workers and migrant workers (including H-2A workers), and provides information on:

- The services available at the local one-stop job center. This includes referrals to training, supportive services, and career services, as well as specific employment opportunities, and other related services.
- The Employment Service and Employment-related Law Complaint System.
- Other organizations serving migrant workers in the area.
- A basic summary of farmworker rights, including rights with respect to the terms and conditions of employment.
- Onsite employment services, including assistance with UI claims.

Outreach staff are required to be trained in protecting farm workers from human trafficking. Outreach staff also coordinate outreach visits with other agencies that provide services to seasonal agricultural workers including migrant workers.

DWD works with external partners including United Migrant Opportunity Services' (UMOS) Latino Resource Center, Noble Community Health, UMOS' National Farmworker Jobs Program, Wisconsin Department of Public Instruction Migrant Education Program, and UW Extension Health Partners to protect workers.

Outreach staff also observe the living and working conditions of agricultural workers. Issues with housing are reported to leadership for referral to migrant labor inspectors for investigation and potential violations. Other observations that may be concerning are reported to the section chief for referral to an appropriate enforcement agency, such as U.S. DOL's Wage and Hour Division or the Occupational Safety and Health Administration (OSHA).

Employment Services Complaint System

DWD's Job Service is required to administer an [Employment Services and Employment-Related Law Complaint System](#). The complaint system allows anyone to file a complaint regarding an employment-related law or the employment services provided at the job center or on [JobCenterofWisconsin.com](#).

Job Service staff assist individuals in the job center and at outreach locations in filing a complaint and, if appropriate, filing an online complaint with ERD. The job service director reviews the complaint and forwards it to the appropriate enforcement agency or works to resolve complaints regarding employment services.



WORKER'S COMPENSATION DIVISION

Overview

DWD's WC Division administers programs designed to advance worker protections by ensuring that employers carry worker's compensation insurance and injured workers receive prompt payment of required benefits from private insurance companies or self-insured employers. The division also encourages rehabilitation and reemployment for injured workers and promotes the reduction of work-related injuries, illnesses, and deaths.

Uninsured Employers Fund Supports Injured Employees

The Uninsured Employers Fund (UEF) pays worker's compensation benefits on valid worker's compensation claims filed by employees who are injured while working for illegally uninsured Wisconsin employers. When a compensable claim is filed, the UEF pays the injured employee worker's compensation benefits as though the uninsured employer had been insured.

From 2019-2023, an average of 31 worker's compensation claims were filed annually with the UEF.

WC has a team of consumer protection investigators who conduct investigations to help ensure that employers subject to the Wisconsin Worker's Compensation Act have proper worker's compensation insurance coverage. The team completed an average of 23,796 investigations annually from 2019-2023.

Funds for paying benefits from the UEF are obtained from penalties assessed against employers for illegally operating a business without worker's compensation insurance. The penalties are mandatory and non-negotiable. Additionally, uninsured employers are required to reimburse for benefit payments made by the UEF.

The UEF uses a variety of administrative tools such as warrants, levies, and garnishment to secure penalty assessments and reimbursement of benefits payments. In 2023, more than 3,500 penalties were issued, and more than \$7.6 million was collected for the fund, which also reached a \$100 million milestone last year.

The program also uses education and information to build awareness and ensure compliance with WC insurance laws. In 2023 alone, 1,163 employers were brought into compliance. The table details the number of employers that have been brought into compliance with Wisconsin's WC laws each year through 2023.

Year	Total
2019	832
2020	600
2021	870
2022	1,113
2023	1,163

WC STAKEHOLDER TESTIMONIAL

Uninsured Employers Fund

“ I have practiced in the area of Wisconsin worker's compensation since 1990. Prior to the existence of the Uninsured Employers Fund (UEF), workers injured while working for uninsured employers largely were left without a remedy, unless they could prove fault and sue for negligence. However, in such circumstances, tort remedies were usually absent due to lack of employer liability coverage or other assets.

The UEF has been invaluable to my clients over the last three decades. The UEF has frequently proved to be a source of benefits for my clients, who are mostly individuals classified as vulnerable workers, when they are injured working for an uninsured employer. Proof of employment in such cases can often be hard to come by, as there is usually no written record of employment and only cash payment of wages. However, I have found that the UEF is willing to consider the reality of those circumstances and hold such employers accountable, without raising the types of technical or formalistic defenses that an insurance company would, which often leads to more efficient processing of claims and (where warranted) quicker awards of compensation. ”

- Aaron H., a Madison attorney

STATE OF WISCONSIN



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