

Worker's Compensation
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State of Wisconsin
Department of Workforce Development

Worker's Compensation Insurance Letter

INS #	463
Date	June 1, 2006
Program	Insurance Reporting
Type	New Process
Replaces	n/a

To: Professional Employer Organizations and Employee Leasing Organizations
From: Frances Huntley-Cooper, Division Administrator
Subject: WORKER'S COMPENSATION LAW CHANGES EFFECTIVE APRIL 1, 2006

Purpose: Inform Professional Employer Organizations and Employee Leasing Organizations of Wisconsin Worker's Compensation Act, Chapter 102 law changes effective April 1, 2006, relating to required reporting of clients and client terminations to the Department of Workforce Development.

Background: Changes to the Wisconsin Worker's Compensation Act, Chapter 102 became effective on April 1, 2006. This law change affects the reporting requirements for Professional Employer Organizations and Employee Leasing Organizations. It is important that Professional Employer Organizations and Employee Leasing Organizations understand these changes and make the internal process adjustments and conduct training to ensure staff understand and act in compliance with the law changes.

Professional Employer Organizations (PEOs) are required to provide the Department of Workforce Development (DWD) notice within ten (10) days after entering into an agreement with a client and 30 days notice before the termination date of the client agreement. Termination of a client's coverage under the worker's compensation insurance policy of the PEO is not effective until 30 days after the date the PEO client termination notification is received by DWD.

Form WKC-15242 is required from a PEO to report to DWD a complete list of its clients and new clients.

Form WKC-15243 is required to notify DWD of a client termination.

New Law Language: Section 102.31(2m)(a), Wis. Stats., A professional employer organization or employee leasing organization that enters into an employee leasing agreement with a client shall submit to the department, within 10 working days after the effective date of the agreement, a report disclosing the identity of the client, the effective date of the leasing agreement, and such other information as the department prescribes. The notification shall be on a form prescribed by the department and shall include all of the following information:

1. The name and mailing address of the professional employer organization or employee leasing organization.
2. The name and mailing address of the worker's compensation insurance carrier of the professional employer organization or employee leasing organization.
3. The names and mailing addresses of all clients of the professional employer organization or employee leasing organization.

(b) If a professional employer organization or employee leasing organization and client intend to terminate an employee leasing agreement, the professional employer organization or employee leasing organization shall notify the department no later than 30 days prior to the termination date of the leasing agreement. The notification to the department shall be on a form prescribed by the department.

(continued)

(c) When an employee leasing agreement is terminated, termination of the client's coverage under the worker's compensation insurance policy of the professional employer organization or employee leasing organization is not effective until 30 days after the professional employer organization or employee leasing organization has given notice of the termination of the employee leasing agreement to the department under par. (b), and coverage under that policy of the employees providing services to the client under that agreement shall remain in effect until 30 days after the date of that notice.

Action Requested: File a WKC-15242 Client Report (listing all Wisconsin clients) with DWD *immediately*. File WKC-15243 Client Termination Notification as appropriate. Review WKC-15241-P summary of law changes with staff.

Refer to: <http://dwd.wisconsin.gov/wc/legal/2005act172-plain.htm> for a complete summary of the changes and text of the law changes. Refer to <http://dwd.wisconsin.gov/wc/about-us/publicationlist.htm> to print additional copies of WKC-15241-P Law Change Summary.

Forms are available online at <http://dwd.wisconsin.gov/wc/about-us/formsorder.htm>

Inquiries: If you have any questions, please contact us at (608) 267-0925.

Enclosures: Professional Employer Organization & Employee Leasing Law Summary
Worker's Compensation Division form WKC-15242 (Client Report)
Worker's Compensation Division form WKC-15243 (Client Termination)