

NOTICE OF INTENT

Department of Labor Office of Employment Security

Electronic Transfer as Method of Payment (LAC 40:IV.375)

In accordance with the provisions for rule adoption under R.S. 49:950 et seq. of the Administrative Procedure Act, and under the statutory authority of R.S. 23:1653, notice is hereby given that the administrator of the Office of Employment Security proposes to adopt the following rule.

This proposed rule is currently in effect by virtue of an emergency rule published in the January, 1996 issue of the *Louisiana Register*, Volume 22, Number 1.

The proposed adoption of such rule shall serve to comply with and implement the statutory amendment of R.S. 23:1532.1 of Act 46 of the 1995 Regular Session of the Louisiana Legislature, which requires, in part, that post-defeasance proceeds of the special assessment for debt service, collected subsequent to September 1, 1993, be pledged and dedicated to the establishment of an electronic transfer system for the administration of the state unemployment compensation program. Such proposed rule shall pertain only to the electronic payment of contributions and shall not affect the accrual of quarterly contributions under the Louisiana Employment Security Law.

Title 40 LABOR AND EMPLOYMENT Part IV. Employment Security Subpart 3. Unemployment Compensation and Contributions

Chapter 3. Employment Security Law

§ 375. Electronic Transfer as Method of Payment

A. Any taxable employer which reports 250 or more employees in any calendar quarter, including any agent or entity which pays contributions either on behalf of any such employer or on behalf of a multiple of 50 or more taxable employers in any calendar quarter, shall remit any such payment(s) by electronic-fund transfer on or before the last day of the calendar month following the calendar quarter in which contributions accrue, subject to penalty and interest under R.S. 23:1543 for failure to timely remit electronic transfer of funds for any such payment(s).

B. Any reimbursable employer which employs 250 or more employees in any calendar quarter, including any agent or entity which pays reimbursement either on behalf of any such employer or on behalf of a multiple of 50 or more reimbursable employers in any calendar quarter, shall remit any such payment(s) of reimbursement by electronic-fund transfer not later than 30 days after quarterly billing was mailed by the administrator or was otherwise delivered to such employer or designated agent or entity, subject to penalty and interest under R.S. 23:1543 for failure to timely remit electronic transfer of funds for any such payment(s).

C. Any agent or entity which pays on behalf of any combination of a multiple of 50 or more of taxable and reimbursable employers shall remit any such payment(s) of contributions or reimbursements by electronic transfer pursuant to the respective statutory due-dates for each such employer, as recited in above Subsections A and B.

D. The requirement of such form of payment under this rule shall commence with the first calendar quarter of 1996, ending March 31, 1996, and shall continue each calendar quarter thereafter.

E. Such payment(s) by electronic transfer shall be in accordance with the manner or format prescribed by the administrator and shall include reporting of all pertinent tax information.

AUTHORITY NOTE: Promulgated in accordance with R.S. 23:1653.

HISTORICAL NOTE: Promulgated by the Department of Labor, Office of Employment Security, LR 22:

All interested persons are invited to submit data, views, comments, or arguments, in writing, on the proposed rule to Denise Nagel, Attorney, UI Legal Unit, Room 142, Department of Labor, Box. 94094, Baton Rouge, LA 70804, or by FAX 504-342-7596 not later than Monday, April 22, 1996, at 4 p.m.

A public hearing shall be held of Thursday, April 25, 1996, at 1:30 p.m. in the Conference Room of the Fourth Floor of the Administrative Building of the Department of Labor, 1001 North 23rd Street, Baton Rouge, LA 70802.

Gayle F. Truly
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

RULE TITLE: Electronic Transfer as Method of Payment

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
The estimated costs for FY 95-96 are \$87,070 to cover first year implementation of the Electronic Funds Transfer System. Anticipated costs for FY 96-97 are \$38,710 and for FY 97-98, \$42,581. Act 46 of the Regular Legislative Session provides funding from delinquent special assessments for the Electronic Funds Transfer System. Federal Unemployment Insurance Grants will fund subsequent years' costs.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
There will be no estimated effect on state or local government units. However, accelerated unemployment tax receipts could increase interest earnings on the Unemployment Insurance Trust Fund.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
There will be no charge to employers using the department's Electronic Funds Transfer System.
- IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
There is no estimated effect on competition and employment.

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