Getting It Right: Insights and Issues for Program Design

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NPRC is a non-profit trade association whose members provide payroll withholding, reporting and payment services to over 1.4 million employers nationwide – *more than one-third of the private sector workforce.*

- The NPRC is neutral as to policy matters.
- We offer constructive technical assistance to government policymakers concerning proposals that affect employment-related reporting.
State/Private Sector Study

Develop consensus recommendations to minimize administrative burden/costs

- Illinois will set precedents for all state-run retirement plan systems

Participants

- States (CA, CT, IL, MD, NYC, OR, WA)
- Payroll Firms (NPRC members, Independent Payroll Processors Association)
- Employer Associations (e.g., American Payroll Association)
- Research/Advocacy organizations (e.g., Pew Charitable Trusts, Boston College)
State/Private Sector Study

Work Groups

- Best practices and standards (What can be automated, standardized)
- Definitions (employee, employer, wages…)
- Communications/Protocols (Notices, enrollments, error resolution)
Definitions: Employee

- Use existing law already well-understood by employers
- Consistency between the states may be critical
- State residents, or individuals who work in Illinois?
  - Employees who live in one state and work in another
  - Temporary presence/short-term assignments in a state
    - Will reciprocal agreements automatically apply?
- Employers exempted if they offer a retirement plan
  - What if the employer plan doesn’t cover everyone?
    - Part-time; seasonal; temporary/contingent…
  - What if other elements are deficient?
    - Few investment options, high fees…
Automatic Enrollment/Systems

- Employer enrollment systems, elements
- Round II (recordkeeper)
  - Personal contact information (Cell/text; personal email; preferences)
  - Beneficiary information
- Would enrollment need to precede withholding, deposits?
  - If so, what confirmation process would be necessary?
- Customer Identification requirements
  - Might Patriot Act provisions require employee signatures?
- Error resolution process
  - Missing/incorrect elements (e.g., name/SSN don’t match)
    - e.g., new enrollments to existing accounts with different names
- Adjustments/changes; e.g., late opt-outs/withdrawals
- Contributions may be volatile (hours, leaves etc.)
Notices, Authorizations

- **Recordkeeping burden**
  - Audit trail to prove disclosures?

- **Languages/accessibility**
  - Must employers furnish notices in multiple languages?

- **Absolutely everything needs to be electronic**
  - Permit electronic communications (e.g., disclosures, elections) for employers that routinely provide employment-related policy information electronically

- **Self-service must be compelling**
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