



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Michael Lynch, Ohio Department of Job and Family Services

FROM: Jacob Ritzenthaler, Regulatory Policy Advocate

DATE: April 17, 2020

RE: **CSI Review – Quarterly Payments and Prohibition Against Common Paymaster Reporting (OAC 4141-11-02 and 4141-11-13)**

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of two no-change rules proposed by the Ohio Department of Job and Family Services (ODJFS) as part of the statutory five-year review requirement. This rule package was submitted to the CSI Office on March 12, 2020, and the public comment period was held open through March 19, 2020. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on March 12, 2020.

Ohio Administrative Code (OAC) Chapter 4141-11 establishes requirements for contributory employers to make reports and payments to ODJFS. OAC 4141-11-02 establishes that contributory employers must pay contributions on its taxable payroll and provides guidelines for the due date and interest payments. OAC 4141-11-13 prohibits common paymaster reporting, which prevents entities from making payments for another separate entity. These rules are being proposed without changes.

During early stakeholder outreach, ODJFS sent the rules to industry stakeholders and interested parties via email notification. ODJFS did not receive any comments from stakeholders during this

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time or during the CSI public comment period.

The business community impacted by these rules includes all contributory employers operating in Ohio. ODJFS states that there are currently approximately 225,000 contributory employers. The adverse cost created by the rules is primarily the time and effort spent by businesses to prepare and submit payments to ODJFS, which is estimated in the BIA to take between 10 to 60 minutes depending on the size of the business. ODJFS states that the rules are necessary to fulfill its statutory requirements and to maintain compliance under the Federal Unemployment Tax Act.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Ohio Department of Job and Family Services should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.