



**State of Wisconsin**  
*Department of Financial Institutions*

Scott Walker, **Governor**

Peter Bildsten, **Secretary**

April 9, 2014

**TO: All Wisconsin Professional Employer Organizations and Professional Employer Groups**

The purpose of this letter is to provide you with important information regarding your Wisconsin professional employer organization ("PEO") or professional employer group ("PEG") registration. We ask that you review this letter closely and share it with anyone inside or outside of your organization who might benefit from understanding its contents. This includes accountants or attorneys who assist you in meeting various filing requirements.

**Transfer of Regulatory Authority**

As you know, on November 1, 2013, the regulation of PEOs and PEGs was transferred from the Department of Safety and Professional Services ("DSPS") to the Department of Financial Institutions ("DFI"), and the statutes affecting PEO/PEGs were moved from Chapter 440 to Chapter 202 of the Wisconsin Statutes. If you have not already done so, please start using DFI forms and sending your PEO/PEG documents to DFI at PO Box 7876, Madison, WI, 53707-7876. DFI forms can be obtained from DFI's website, [www.wdfi.org](http://www.wdfi.org), by clicking on the "Banking" button and then clicking on "Professional Employer Organizations & Professional Employer Groups."

**What is DFI?**

DFI regulates the participants in many different industries, including state-chartered banks, credit unions, and securities. The regulation of PEO/PEGs is within DFI's Division of Banking ("DOB"). Those of you who register your corporation or company in Wisconsin might recognize DFI as the agency that handles corporate filings. Note that corporate filings are handled by the Division of Corporate and Consumer Services, a division separate from the DOB.

Please visit DFI's website at [www.wdfi.org](http://www.wdfi.org) to learn more about DFI, conduct registration searches, link to applicable statutes, and see answers to Frequently Asked Questions ("FAQs"). We ask that a representative from each organization review its electronic file from the DFI website to ensure all of the contact information, including email address, is up-to-date and accurate. You can access your organization's electronic file by clicking on the "Banking" button, clicking on "Professional Employer Organizations & Professional Employer Groups," and then selecting "Name & Address Change." You will need your organization's credential number and PIN to make changes to the file. You can use the same credential number and PIN that DSPS issued to your organization. To ensure that renewal information is sent to the accurate address, all necessary changes to contact information should be made by **April 30, 2014**.

**Replacing DSPS Bond with DFI Bond**

Due to the transfer from DSPS to DFI, DFI is requesting that all registered PEO/PEGs that maintain a DSPS surety bond, cancel their surety bond and replace it with a DFI surety bond. Please note that not all registered PEO/PEG's have a surety bond. This section only applies to PEO/PEGs that do.

You can obtain a DFI bond form from DFI's website, [www.wdfi.org](http://www.wdfi.org), by clicking on the "Banking" button, clicking on "Professional Employer Organizations & Professional Employer Groups," and then selecting "Forms."

Please contact your insurance agent and request that s/he cancel your DSPS bond, in accordance with the

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*Division of Banking*

Mail: PO Box 7876 Madison, WI 53707-7876

Voice: (608) 261-7578

Fax: (608) 267-6889

Courier: 201 W. Washington Ave. Suite 500, Madison, WI 53703

TTY: (608) 266-8818

Internet: [www.wdfi.org](http://www.wdfi.org)

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terms of that bond, and issue a new surety bond on the DFI bond form. The bond that is submitted to DFI must:

- be on the bond form that is posted on DFI's website. A reproduced bond will not be accepted.
- identify the exact legal name of the PEO/PEG.
- not identify trade names or DBA (doing business as) names used by the PEO/PEG.
- not reference the PEO/PEG's street address.
- not include language pertaining to the new bond superseding and replacing the DSPS bond.

We ask that the new bond be submitted to DFI by **June 2, 2014**. Please ensure that there is no lapse in coverage between the cancellation date of the DSPS bond and the effective date of the DFI bond.

### **Renewals – Be Aware the Process Has Changed**

All PEO/PEG credentials will expire on July 31, 2014. On or around June 2, 2014, DOB will send renewal reminder notices, by mail and email, to all PEO/PEGs that hold an active registration in Wisconsin. In order to renew, a PEO/PEG must logon to DFI's website between June 2, 2014 and July 31, 2014, complete the online renewal application, pay the \$107 renewal fee and, if required, submit the organization's financial statements (additional details about the financial statements can be found below). If your organization's online renewal is completed between August 1, 2014 and September 29, 2014, your organization will be assessed a \$25 late fee. If your organization is accredited by the Employer Services Assurance Corporation ("ESAC") and you have signed the form authorizing ESAC to share your information with our Department, the above information will be submitted on your behalf. Please log into your ESAC home page to review instructions for submitting your registration renewal payment.

**It is very important to note that the 2014 renewal period closes on September 29, 2014. If your organization has not completed its renewal by that date, its credential will expire and it will be required to apply as a new applicant if it wishes to continue operating as a PEO/PEG in Wisconsin.** Note also that a PEO/PEG may not operate in Wisconsin unless its PEO/PEG credential is in an "Active" status. An organization can determine if its credential is in an active status by visiting the DFI's website, [www.wdfi.org](http://www.wdfi.org), clicking on the "Banking" button, clicking on "Professional Employer Organizations & Professional Employer Groups," and then selecting "Search Registrants."

### **Financial Statement Submission**

All registered PEO/PEGs must submit updated financial statements with their renewal application unless the PEO/PEG is accredited by ESAC or has been issued a PEO/PEG-Small Operations credential. The financial statements must be:

- for the PEO/PEG's most recently completed fiscal year.
- audited by an independent certified public accountant.
- without qualification as to the going concern status of the applicant.
- submitted on or before July 31, 2014.

If your audit will not be completed by July 31<sup>st</sup>, you can apply to DFI for an extension by submitting a letter from the certified public accountant who is auditing the financial statements. The letter must state the reasons for the delay and the anticipated completion date of the audit. Audit reports can be mailed to the P.O. Box listed on the first page of this letter or emailed to [DFI\\_LFS@wisconsin.gov](mailto:DFI_LFS@wisconsin.gov).

Again, all necessary forms, links to statutes, and answers to FAQs can be found at [www.wdfi.org](http://www.wdfi.org). Please visit our website within the next several days to review your electronic file and make any necessary updates to the contact information.

If you have questions regarding any of the matters noted above, you may contact us at 608-267-1711.

Sincerely,

The Licensed Financial Services Staff  
Division of Banking