

SMALL BUSINESS IMPACT STATEMENT

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

Agency submitting regulation: Board of Review/RI Department of Labor and Training

Subject matter of regulation: Rules of The RI Department of Labor and Training for The Unemployment Insurance And Temporary Disability Insurance Programs.

ERLID No: 7527 (Supersedes ERLID # 6974)

Statutory authority: Section 28-42-34 of RIGL

Other agencies affected: The Division of Taxation at the Dept. of Administration

Other regulations that may duplicate or conflict with the regulation: None

Describe the scope and objectives of the regulation: The amendments would clarify that Qualified Healthcare Providers or Medical Practitioners must be licensed to practice in the United States to certify claimants and clarify the meaning of sickness in relation to the ability to attend certain school classes while collecting Temporary Disability Insurance benefits. The amendments also outline the requirements to file for the new Temporary Caregiver Insurance benefits beginning in January 2014.

What was the rationale for establishing this regulation? To guide citizens in the procedures and law concerning temporary disability insurance as temporary caregiver insurance benefits as it relates to Qualified Healthcare Providers or Medical Practitioners, sickness in relation to the ability to attend certain school classes while collecting benefits. The amendments also outline the requirements to file for the new Temporary Caregiver Insurance benefits beginning in January 2014.

Does the rationale still exist? Yes.

Is the rationale still relevant? Yes.

Business industry (s) affected by the regulation: See attached list.

Types of businesses included in the industry (s): See attached list.

Total number of small businesses included in the regulated industry (s):

31,607 as of December 31, 2011 according to DLT records.

Number of small businesses potentially subject to the proposed regulation:

31,607 as of December 31, 2011 according to DLT records.

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?

We rarely get employer requests for clarification of our regulations. All employers will be notified of the new Temporary Caregiver Insurance (TCI) law and the requirements contained in the law. They will be asked to share this information with their employees.

What is the cost to your agency of establishing and enforcing this regulation?

Since this regulation was the result of a new law, our staff had to review the law and develop an entirely new regulation to interpret the law. We estimate this effort cost approximately \$4,000 in staff time. There is no additional cost of enforcing the regulation beyond the normal operating costs associated with the TCI program which is funded by employee contributions under the existing TDI program.

What would the consequences be if the regulation did not exist?

A lack of clear regulations for the TCI program could cause confusion. Employers and workers would not have clear rules on the requirements to collect benefits under the TCI program and what is expected of them in keeping adequate records and providing needed information.

Effective date used in cost estimate:

June 30, 2013 through July 1, 2014.

For each question below, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.

1.	Yes	No X	Do small businesses have to create, file, or issue additional reports?
2.	Yes	No X	Do small businesses have to implement additional recordkeeping procedures? Nothing beyond what is already required under state law.
3.	Yes	No	Do small businesses have to provide additional administrative oversight?

		X	Nothing beyond what is already required under state law.
4.	Yes	No X	Do small businesses have to hire additional employees in order to comply with the proposed regulation? There should be no need to hire additional employees beyond those required for normal payroll and personnel functions.
5.	Yes	No X	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)? While employers may have professionals on staff, such as accountants and lawyers, there is no requirement to hire such individuals for TCI purposes.
6.	Yes	No X	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation? No purchase of any product or need for capital investment is required to comply with this set of regulations.
7.	Yes X	No	Are performance standards more appropriate than design standards? Yes. The Department has its own performance standards in the timeliness for processing claims, notifying employers and hearing appeals.
8.	Yes X	No	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities? Yes, employers are expected to cooperate with audits conducted by the Divisions of Taxation as required by federal and state law.
9.	Yes	No X	Does the regulation have the effect of creating additional taxes and/or fees for small businesses? The regulation does not impose any additional taxes or fees. The TDI/TCI programs are funded by employee contributions.
10.	Yes	No X	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements? There is no requirement for small business to provide educational services. They will be asked to post a TCI informational pamphlet for employees to review.
11.	Yes	No	Is the regulation likely to <i>deter</i> the formation of small businesses in RI?

		X	The regulation would not deter small business formation.
12.	Yes	No X	Is the regulation likely to <i>encourage</i> the formation of small businesses in RI? This regulation does not encourage the creation of small businesses.
13.	Yes	No X	Can the regulation provide for less stringent compliance or reporting requirements for small businesses? Most of these requirements are spelled out in state law.
14.	Yes	No X	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? The schedules and deadlines follow state law.
15.	Yes	No X	Can the compliance or reporting requirements be consolidated or simplified for small businesses? All employers must follow the same requirements.
16.	Yes	No X	Can performance standards for small businesses replace design or operational standards? This question does not apply.
17.	Yes	No X	Are there alternative regulatory methods that would minimize the adverse impact on small businesses? The regulations follow state law.
18.	Yes	No X	Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe.

**RI Employers Covered by the UI and TDI Programs
As of December 2011**

	<u>NAICS Code</u>	<u>Number of Employers</u>	<u>Number of Small Employers</u>
Agriculture, Forestry, Fishing & Hunting	11	165	165
Mining	21	18	18
Utilities	22	34	1
Construction	23	3,675	3,675
Manufacturing	31 - 33	1,721	1,716
Wholesale Trade	42	2,949	2,949
Retail Trade	44 - 45	3,805	3,803
Transportation	48 - 49	682	678
Information	51	738	734
Finance & Insurance	52	1,514	0
Real Estate & Rental & Leasing	53	1,059	1,055
Professional & Technical Services	54	4,178	4,058
Management of Companies & Enterprises	55	244	229
Administrative & Waste Services	56	2,417	2,416
Educational Services	61	539	459
Health Care & Social Assistance	62	3,140	2,823
Arts, Entertainment, & Recreation	71	539	0
Accommodation & Food Services	72	2,933	2,928
Other Services, except Public Administration	81	3,739	3,734
Government	92	715	0
Unclassified	99	166	165
TOTALS	978	34,970	31,607