

# Wisconsin Human Resources Handbook

## Chapter 400

### Temporary Interchange of Employees

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#### Sec. 400.010 Introduction

The State of Wisconsin encourages intergovernmental cooperation in order to address the needs of state government. In accordance with that concept, the temporary interchange of employees between and within governmental agencies and institutions of higher education is authorized to:

1. Facilitate the use of the specialized knowledge and experience of skilled people;
2. Improve the delivery of government services;
3. Enhance the career development of government employees;
4. Strengthen intergovernmental understanding; and
5. Increase the capacity and ensure the efficient use of personnel resources.

Note: As of the publication of this chapter, state agencies have no authority to enter into temporary interchange agreements with private employers.

#### Sec. 400.020 Statutory and Rule Authority

Section 230.047, Wis. Stats., authorizes state agencies to participate in temporary interchanges of employees between and among governmental agencies at the same or different levels of government including international governments, and with institutions of higher education.

Section 230.047(8), Wis. Stats., specifies that the Administrator of the Division of Personnel Management (DPM) must approve any interchange agreement negotiated under this section.

Chapter ER 47, Wis. Adm. Code outlines specific criteria for employee eligibility and procedures for implementing such interchange agreements.

### Sec. 400.030 Policy

1. **Eligibility:** All employees in classified state service who have permanent status in class and employees in the unclassified state service are eligible for interchange. [ss. ER 1.02(28) and ER 47.03, Wis. Adm. Code]
2. **Eligibility exceptions:** Employees serving an original probationary period or employees serving in a limited term, provisional, or project appointment are not eligible for interchange. [s. ER 47.03, Wis. Adm. Code]
3. **Duration:** All interchange agreements are temporary in nature and shall not exceed one (1) year in length, subject to the exception described in Section 400.030(4) of this Chapter. [ss. ER 47.04(1) and (2), Wis. Adm. Code]
4. **Duration Exception:** The DPM Administrator may authorize an extension of an approved interchange. An extension shall not exceed one (1) additional year in length and will be approved only if an urgent need to extend the interchange is demonstrated by either the sending or receiving agency. In no event shall an interchange assign the same employee the same or similar duties for more than two (2) years. [s. ER 47.04(2), Wis. Adm. Code]
5. **Supplemental Pay:** Only receiving agencies other than another Wisconsin state agency (e.g., counties, municipalities, federal agencies), may provide supplemental pay and benefits to an employee for the duration of an interchange. Any supplemental pay must be kept separate from the statutory or contractual salary and benefits received by the interchanged employee. Any agreed upon supplemental pay may be paid by the receiving agency directly to the employee only if the payroll system of the sending agency will not accommodate keeping such supplemental pay separate from the statutorily allowed salary. Required deductions, such as federal and state taxes, etc., must be made from the supplemental pay when paid directly to the employee. Supplemental pay ceases upon termination of the interchange. [s. 230.047(4)(b), Wis. Stats and s. ER 47.07(1), Wis. Adm. Code]

### Sec. 400.040 Interchange Agreement

A temporary interchange agreement must be in writing and signed by the appointing authorities of the sending and receiving agencies, the employee, and the administrator prior to the effective date of the interchange. (See s. ER 47.02, Wis. Adm. Code)

The provisions of the interchange agreement shall include those described in ER 47, Wis. Adm. Code. In addition, any other conditions pertaining to the employee's work assignment that ensure a clear understanding of the agreement by all parties shall be included in the agreement. The following information and provisions must be set forth in the agreement: (See Attachment #1 for an agreement template)

1. The employee's name and classification.
2. A description of the duties and responsibilities to be performed by the employee while on interchange.
3. The work site location where the employee will perform those duties and responsibilities.
4. The name and title of the supervisor of the employee on interchange.
5. That the employee on interchange may not be regraded as a result of a reallocation because of the temporarily assigned duties. (**Note:** The position may not be reallocated under Ch. ER 3.01(2)(f), Wis. Adm. Code, as a result of a logical change in the duties and responsibilities of the position or because of a permanent change in the level of accountability of the position while performing the duties and responsibilities under the interchange.) (See s. ER 47.05(3), Wis. Adm. Code)
6. That the employee on interchange may not be regraded as a result of a reclassification because of the temporarily assigned duties. (**Note:** The position may not be reclassified under s. ER 3.01(3), Wis. Adm. Code, as a result of logical and gradual change in the duties or responsibilities or attainment of specified

- education or experience while performing the duties and responsibilities under the interchange.) (See s. ER 47.05(3), Wis. Adm. Code)
7. That the employee is “on detail” to the receiving agency but remains an employee of the sending agency. (**Note:** The phrase “on detail” means for the purpose of performing the duties and responsibilities assigned by the receiving agency.) (See s. ER 47.02(2), Wis. Adm. Code)
  8. That the employee remains subject to the State of Wisconsin’s code of ethics. (**Note:** Chapter ER-MRS 24, Wis. Adm. Code, or appropriate codes of ethics for public officials and employees of the judicial branch and University of Wisconsin personnel subject to Chapter 19, subchapter III, Wis. Stats.) (See s. ER 47.05(1)(b)4, Wis. Adm. Code)
  9. That the employee may continue to compete for promotional opportunities during the period of the temporary interchange that they were eligible for prior to the interchange. (See s. ER 47.05(3), Wis. Adm. Code)
  10. That, when any Wisconsin state agency is the sending agency, the employee remains on the sending agency’s payroll and continues to be covered by the compensation plan provisions relating to pay and employee benefits or collective bargaining agreement, if applicable. (See s. ER 47.05(1)(a), Wis. Adm. Code)
  11. That the employee receives all applicable intervening pay adjustments for which the employee is eligible. (**Note:** This includes, but is not limited to, adjustments applied to the pay schedule and pay range or band to which the employee’s position is assigned, length of service payments, discretionary pay adjustments, and/or other forms of within range pay adjustments.) (See s. ER 47.05(1)(b)1, Wis. Adm. Code)
  12. The exact amounts and portions of salary and benefits to be reimbursed to the sending agency by the receiving agency if the receiving agency reimburses, in whole or in part, the sending agency for the employee’s salary and benefit expenditures incurred during the period of the assignment. (See s. ER 47.05(2), Wis. Adm. Code)
  13. That the sending agency may not pay travel expenses of the employee incurred in connection with an assignment at the receiving agency. (**Note:** The receiving agency may reimburse the employee for travel expenses at the rate provided under s. 20.916, Wis. Stats., the compensation plan, or in the state’s collective bargaining agreement, whichever is appropriate. If the receiving agency will reimburse the employee, it shall submit the gross reimbursement to the sending agency to process through the sending agency’s payroll system, so the travel reimbursement, minus any applicable withholding for state and/or federal taxes, etc., is included in the employee’s next pay check.) (See s. ER 47.05(1)(b)2, Wis. Adm. Code)
  14. That the receiving agency may provide the employee specified maintenance allowances. (**Note:** Maintenance Allowances include, but are not limited to, maintenance of a separate residence or costs associated with periodic travel to the employee’s place of permanent residence. If these costs are provided to the employee, they may be paid to the employee through the sending agency’s payroll system, and included in the employee’s paycheck, minus any deductions required for any applicable state and federal taxes, etc.) (See s. ER 47.05(1)(b)3, Wis. Adm. Code)
  15. That the receiving agency may provide supplemental pay and benefits to the employee for the duration of the interchange. (**Note:** No supplemental pay or benefits may be provided if the employee is on an interchange to: any office, department, or independent agency in the executive, legislative, or judicial branches of the State of Wisconsin; or any state Authority. Supplemental pay and benefits may be paid by the receiving agency to the employee or may be paid by the sending agency from funds supplied by the receiving agency and any supplemental pay and benefits must be paid separately from pay and benefits under statutory or contractual provisions. If this provision is inconsistent with any Internal Revenue Code (IRC) requirements or Internal Revenue Service (IRS) rulings, the IRC provisions or IRS rulings shall control.) (See ss. ER 47.07 (1) and (2), Wis. Adm. Code)

16. That an employee on interchange who suffers disability or death as a result of personal injury arising out of and in the course of the interchange or sustained in performance of duties in connection with the interchange is, for the purpose of Ch. 102, an employee of the sending agency. [s. 230.047(4)(c), Wis. Stats]
17. The beginning and end dates of the interchange must be stated on the agreement. The original interchange may not exceed one year. (Note: an extension may be requested for up to one additional year, see Section 400.050 of this Chapter) (See s. ER 47.04(1), Wis. Adm. Code)
18. The beginning date of the agreement must be after the date the agreement is approved by the DPM Administrator. (See s. ER 47.02(1), Wis. Adm. Code)
19. Any additional information necessary for the complete understanding of the sending agency, receiving agency, employee, and the DPM.

### **Sec. 400.050 Extensions and/or Changes to Interchange Agreements**

The parties to a temporary interchange agreement may request an extension to the original agreement for up to one year if an urgent need is demonstrated and a justification is provided. Any extension or changes to an interchange agreement must comply with all the criteria identified in Section 400.040 of this Chapter. A copy of the original interchange agreement must be attached to the request for extension. (See s. ER 47.04(2), Wis. Adm. Code) An interchange extension template is provided in Attachment #2 and an interchange change template is provided in Attachment #3.

No temporary interchange agreement and extension may exceed a total of two (2) years.

### **Sec. 400.060 Procedure for Arranging an Employee Interchange**

#### **Sending or Receiving Agency:**

1. **Prior to the effective date of the interchange, extension, or change** to the agreement, the sending or receiving agency will prepare the interchange agreement, extension, or change with signatures from the duly authorized representatives of the sending and receiving agencies and the employee. The agencies will have conferred with each of their respective finance teams to ensure there is an actionable strategy to recover or bill expenses.
2. The sending or receiving agency will forward the original executed interchange agreement, extension, or change to the DPM Administrator for review.

#### **DPM:**

1. The DPM Administrator will review the interchange agreement, extension, or change and will either approve or deny the agreement prior to the effective date of the interchange.
2. If the request is approved, the DPM Administrator will a copy of the agreement to the submitting agency for distribution to the employee, the agency finance bureau, and the appointing authority of the other interchange agency.
3. If the request is denied, the DPM Administrator will notify the submitting agency and attempt to resolve concerns so the interchange can be accomplished.

### **Sec. 400.070 Administrative Information**

This chapter was issued October 2001. This chapter was revised February 2016. Pursuant to the changes introduced by 2015 Wisconsin Act 55, in July 2015, the Office of State Employment Relations was eliminated and the functions were transferred into the newly created Department of Administration, Division of Personnel Management. This chapter was updated to reflect the changes in terminology and processes that resulted from the organizational restructuring.

In June 2018, minor updates were made to ensure that the information is current and to update the formatting of the chapter to align with the *Wisconsin Human Resources Handbook* standards. In May 2017, the Bureau of Compensation and Labor Relations was modified to be the Bureau of Compensation and Employment Relations. Updates were made to reflect this name change.

Chapter 400 was updated in August 2018 to reflect organizational changes that occurred to the Division of Personnel Management in conjunction with the implementation of Shared Services. The Bureau of Compensation and Employment Relations was divided into two separate bureaus: The Bureau of Classification and Compensation and the Bureau of Employee Management. Additionally, information about conferring with the agency finance bureau was added to the agency procedures.

ATTACHMENT #1

EMPLOYEE INTERCHANGE AGREEMENT

BETWEEN

[sending agency]

AND

[receiving agency]

Purpose: This interchange agreement provides an understanding for the interchange of [employee], [classification or title], from [sending agency], hereinafter referred to as “the sending agency”, and [receiving agency], hereinafter referred to as “the receiving agency”.

Authority: Section 230.047, Wis. Stats.

Assignment: [employee] will assume the duties and responsibilities of a [title] in the receiving agency. The duties and responsibilities include [tasks to be performed/areas of responsibility]. [employee] will not be eligible for a regrade resulting from a reclassification or reallocation based on these duties and responsibilities.

Qualifications: [employee] is required to be qualified to [list any qualifications, if applicable, to perform the job duties]

Headquarters: [employee] will be located in [city], [state].

Supervisor: The supervisor of [employee] for this interchange is [name], [title].

Employee Status: [employee] shall be on detail to the receiving agency and be solely responsible to that agency for the performance of [his or her] responsibilities. The sending agency shall complete the required performance evaluation reports after consulting with the receiving agency. [employee] is subject to the Code of Ethics provisions of Chapter ER-MRS 24, Wisconsin Administrative Code.

[employee] will remain an employee of the sending agency and will receive the salary and benefits to which [he or she] is entitled. The sending agency will provide for the payment of [his or her] salary, including any subsequent increases resulting from compensation plan or contract agreements such as economic adjustments, within range pay increases, exceptional performance awards, and equity awards, and for all employee benefit costs including (but not limited to) group insurance benefits, retirement, worker’s compensation, etc. [employee] will also be eligible to compete in promotional opportunities of the sending agency or service wide opportunities.

Expenses: All travel expenses incurred in connection with [employee]’s assignments and any other maintenance allowance provided will be paid by the receiving agency on the same basis as if [he or she] were a permanent employee of the receiving agency.

Supplemental Pay and Benefits: [employee] will receive supplemental [salary and/or benefit] which will be paid directly to [him or her, or to the sending agency], in the amount of [ \$----- ] annual (or prorata) .

Reimbursement: The receiving agency will reimburse the sending agency for salary and employee benefit expenditures, including any subsequent salary increases as follows: reimbursement will be made on

[**date/time period**] in the amount of [ \$-----, — **annual (or prorata)** ]. Payment will be made upon receipt of invoice from the sending agency. Invoices should be sent to [**name**], [**address**].

Receiving agency agrees that any losses or expenses, by reason of liability imposed by law involving worker's compensation benefits, caused by [**employee**] for injuries incurred by [**employee**] in connection with [**his or her**] assignment under this agreement will be charged to the receiving agency. If [**employee**] suffers a disability or death as a result of a personal injury arising out of and in the course of the interchange or sustained in performance of duties in connection therewith, [**employee**] is, for the purpose of Ch. 102, Wis. Stats., an employee of the sending agency.

Publication Rights: Rights for [**publication of articles, or copyrights, or patents**] are the sole property of [**employee or receiving agency, if applicable**].

Duration: This interchange agreement is effective beginning [**date**] and shall continue in effect through [**date**] unless terminated in writing by any party to this interchange agreement prior to that date.

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[ <b>Appointing Authority – Signature</b> ] [ <b>sending Agency</b> ]	TITLE	DATE
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[ <b>Appointing Authority – Signature</b> ] [ <b>receiving Agency</b> ]	TITLE	DATE
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[ <b>Employee - Signature</b> ]	TITLE	DATE
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[ <b>Administrator</b> ] Division of Personnel Management	TITLE	DATE
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**ATTACHMENT #2**

EXTENSION OF EXISTING EMPLOYEE INTERCHANGE AGREEMENT

BETWEEN

[sending agency]

AND

[receiving agency]

Purpose: This agreement extends the attached interchange approved by the Administrator of the Division of Personnel Management on [date] for [employee], [classification or title], of the [sending agency], hereinafter referred to as “the sending agency”, and the [receiving agency], hereinafter referred to as the “receiving agency”.

Reason For Extension:

Duration: The original termination date of the interchange was [date]. The agreement is extended to [date] unless terminated in writing by any party to this interchange prior to that date.

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[Appointing Authority – Signature] [sending Agency]	TITLE	DATE
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[Appointing Authority – Signature] [receiving Agency]	TITLE	DATE
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[Employee - Signature]	TITLE	DATE
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[Administrator] Division of Personnel Management	TITLE	DATE
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**ATTACHMENT #3**

CHANGE OF EXISTING EMPLOYEE INTERCHANGE AGREEMENT

BETWEEN

[sending agency]

AND

[receiving agency]

Assignment: [employee] will assume the duties and responsibilities of a Principal Investigator (PI). The duties and responsibilities include acting as the PI by ordering lab tests, reviewing notes, assisting the Assistant PI, and assuring protocols are followed.

**OR**

Assignment: This section currently reads: [insert language from original interchange agreement]

As revised, this section now reads: [insert new language with changes underlined]

Duration: This changed interchange agreement is effective beginning [date] and shall continue in effect through [date] unless terminated in writing by any party to this interchange agreement prior to that date.

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[Appointing Authority – Signature] [sending Agency]	TITLE	DATE
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[Appointing Authority – Signature] [receiving Agency]	TITLE	DATE
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[Employee - Signature]	TITLE	DATE
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[Administrator] Division of Personnel Management	TITLE	DATE
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