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#### TITLE 646 DEPARTMENT OF WORKFORCE DEVELOPMENT

### **Regulatory Analysis**

LSA Document #25-747

### I. Description of Rule

- a. History and Background of the Rule Processing fees charged by the Indiana Department of Workforce Development (DWD) for last known employer (LKE) records are set forth in statute. In 2023, the Indiana General Assembly passed HEA 1623 which established new requirements for executive agency rulemaking and provided a safe harbor for executive agencies to come into compliance with Indiana Code regarding fees, fines, and civil penalties set by the agency. On March 19, 2025, in response to HEA 1623, DWD promulgated 646 IAC 5-14-1, which added to Indiana's Administrative Code the specific dollar amount of the fee per LKE record as charged by DWD at that time two dollars (\$2) per LKE record. After the promulgation of 646 IAC 5-14-1, the Indiana General Assembly passed SEA 371-2025 which amended the language of IC 22-4-19-6 to require DWD to charge a processing fee of six dollars (\$6) per LKE record. SEA 371 became effective on July 1, 2025. This rulemaking repeals 646 IAC 5-14-1 to eliminate conflict between administrative code and IC 22-4-19-6 as DWD is statutorily required to charge a processing fee of six dollars (\$6). Because SEA 371's amendment of IC 22-4-19-6 sets forth the specific fee amount, a rule is not needed to maintain compliance with HEA 1623.
- **b. Scope of the Rule** This rule repeals <u>646 IAC 5-14-1</u>, which specified the dollar amount of the LKE record processing fee assessed by DWD.
- **c. Statement of Need** Repealing <u>646 IAC 5-14-1</u> is required to eliminate conflict with the recently amended statute.
- **d. Statutory Authority for the Rule –** The statutory authority for DWD to repeal rules is <u>IC 22-4-19-1</u>. The statutory authority requiring DWD to assess an LKE record processing fee of six dollars (\$6) is IC 22-4-19-6(g).
- e. Fees, Fines, and Civil Penalties This rulemaking does not add or increase any fee, fine, or civil penalty. It is intended only to repeal an existing rule.

### II. Fiscal Impact Analysis

- **a. Anticipated Effective Date of the Rule –** This rulemaking will become effective upon the date of final adoption, which is anticipated to take place in or before July, 2026.
- **b. Estimated Fiscal Impact on State and Local Government –** This rulemaking does not have a financial impact on the State of Indiana or local governments as this rulemaking only repeals <u>646 IAC 5-14-1</u> to eliminate conflict with the new amount of the LKE record processing fee set forth in statute.
- **c. Sources of Expenditures or Revenues Affected by the Rule –** Repealing <u>646 IAC 5-14-1</u> does not affect sources of expenditures or revenues. DWD will deposit the fees received into the same account as before.

# III. Impacted Parties

No parties are impacted by this proposed repeal.

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# IV. Changes in Proposed Rule

Indiana Admin. Code	Proposed Changes
Provision	
646 IAC 5-14	Repeals the processing fee amount
	charged by DWD for last known
	employer records.

## V. Benefit Analysis

- **a. Estimate of Primary and Direct Benefits of the Rule** The primary and direct benefit of repealing this rule is to eliminate conflict with <u>IC 22-4-19-6</u>. <u>646 IAC 5-14-1</u> sets forth the LKE processing fee as two dollars (\$2) per page as previously charged by DWD. Following SEA 371 taking effect on July 1, 2025, DWD is required to charge an LKE processing fee of six dollars (\$6) per record. Without repeal of <u>646 IAC 5-14-1</u>, administrative code and statute conflict as to the fee amount charged per LKE record. The amount of this benefit cannot be quantified, but DWD believes it is significant to avoid conflict between statutes and administrative rules.
- **b. Estimate of Secondary or Indirect Benefits of the Rule** The secondary or indirect benefit of repealing this rule is increased transparency and accuracy regarding the fees charged by DWD.
- c. Estimate of Any Cost Savings to Regulated Industries Repealing this rule will not provide cost savings.

## VI. Cost Analysis

- **a. Estimate of Compliance Costs for Regulated Entities** Because this rulemaking repeals an existing rule, there are no compliance costs for regulated entities.
- **b.** Estimate of Administrative Expenses Imposed by the Rules Because this rulemaking repeals an existing rule, there are no administrative expenses imposed.
- **c.** The fees, fines, and civil penalties analysis required by <u>IC 4-22-2-19.6</u> This rulemaking does not add or increase a fee, fine, or civil penalty. It is intended only to repeal an existing rule.
- d. If the implementation costs of the proposed rule are expected to exceed the threshold set in IC 4
  22-2-22.7(c)(6) Because this rulemaking repeals an existing rule, there are no implementation costs.

## VII. Sources of Information

- **a. Independent Verifications or Studies –** Not applicable because this rulemaking repeals an existing rule.
- **b.** Sources Relied Upon in Determining and Calculating Costs and Benefits Not applicable because this rulemaking repeals an existing rule.

#### VIII. Regulatory Analysis

This rulemaking is intended only to repeal an existing rule, and doing so will eliminate conflict with enacted amendment to IC 22-4-19-6. Repealing 646 IAC 5-14-1 will not impose any costs. Therefore, DWD believes the benefits of this rulemaking outweigh the costs.

# IX. Contact Information of Staff to Answer Substantive Questions

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