



employer advisor

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Senate Bill 129 Newly Signed Legislation Lowers UI Contribution Rates!



The Governor signed into law recently passed legislation that effectively lowers Unemployment Insurance (UI) contribution rates paid by all contributory employers.

- The maximum UI contribution rate will be permanently lowered from 9% plus the social costs to 7% plus the social costs.
- The minimum UI tax rate (social costs) will be capped at .4% (.004) for rate year 2012. Previously, the minimum UI tax rate was scheduled to increase to .5% (.005) for the 2012 rate year.

What is the effect of this legislation?

- The maximum tax rate will decrease from 9.5% to 7.4% or lower the amount paid by up to \$619.50 per employee per year. This lower rate will help ensure that Utah employers paying the highest rate will no longer be at a competitive disadvantage with employers located in surrounding states.
- By remaining at .4% rather than increasing to .5%, the social tax will yield a savings up to \$29.50 per employee per year. Approximately 55% of Utah employers pay this minimum rate.

What is the impact of this new law on Utah employers?

- The Department of Workforce Services (DWS) projects all 69,000 Utah employers will save approximately \$20 million in UI taxes during calendar year 2012.
- The most impacted employers are small employers, 88% of whom had total payrolls of less than \$250,000 in fiscal year 2011.
- The 4% of Utah employers who pay the previously highest rate of 7.5% to 9.5% will receive \$6.4 million in tax relief during calendar year 2012.

What is the background behind this new legislation?

- Utah had the nation's 2nd highest maximum UI tax rate per employee in calendar year 2010.
- This provides immediate tax relief to all Utah employers.
- Utah had one of the largest ranges between minimum and maximum rates in the country (.5% to 9.5%).

DWS does not anticipate that lower rates will impact the long-term solvency of the UI trust fund.



Read the latest on Utah's economy here:



Important Change to the Utah New Hire Registry Beginning on July 1, 2012 (House Bill 22)

The Utah Legislature recently enacted changes to the Utah New Hire Registry. Mandatory reporting requirements now include the **date of hire or rehire of each new employee**. Beginning July 1, 2012, employers must report the following **seven mandatory data elements within 20 days** of any newly hired or rehired employee's first day of work.

- Employee name
- Social Security Number (SSN)
- Employee Mailing Address
- **Date of Hire or Rehire**
- Employer name
- Federal Employer Identification Number (FEIN),
- Employer Mailing Address

Note: The Date of Birth remains optional.

Visiting our website at <https://jobs.utah.gov/newhire> remains the easiest method to submit New Hire informa-

tion. An employer may manually enter New Hire information or upload a file in Excel, Comma Delimited, or MMREF formats. To minimize reentering similar information, the employer may select, "Add this individual to the employee list when reporting quarterly wages."

Remember, the Date of Hire represents the first day when a new employee actually works for your company (performs services for remuneration). When reporting the rehire of an employee that you have reported previously to the New Hire Registry, we require the date of the employee's most recent return to work. Reporting a Date of Hire incorrectly will require our agency to contact you for clarification.

Date of Rehire means the date services for compensation are first performed by an employee who was previously employed by the employer but has been separated for at least 60 days.

Employers who employ workers in more than one state have the option to report all new hires to a single state in which the employer has employees. Employers may also register online at <http://151.196.108.21/ocse/> as a multi-state filer or by contacting the U.S. Dept. of Health & Human Services (HHS) • Office of Child Support Enforcement • P.O. Box 509 • Randallstown, MD 21133

New Hire Reporting Saves You Money

The Utah New Hire Registry was developed when Utah's legislature enacted a law during the 1997 general session known as the Centralized New Hire Registry Act (Chapter 7 Section 35A-7-101). Utah's legislation is similar to the Federal legislation, adopting the same minimum reporting requirements and providing remedies for failure to report properly.

The Department of Workforce Services may use New Hire information to detect and prevent the payment and receipt of unlawful benefits. Prompt detection and prevention of benefit overpayments is an important part of protecting Utah's Unemployment Insurance Trust Fund

and other Federal and State funded programs. Your participation in the New Hire Registry helps ensure that benefits are paid only to eligible claimants.

Utah's New Hire Registry allows the Department of Workforce Services to identify claimants who have returned to work. Within one business day of your report, we will compare the information you submit with claimants who have received Unemployment Insurance (UI) benefits. We immediately investigate any instance in which a claimant may have been working while filing for benefits.

Potential UI overpayment investigations may require that you provide a detailed, calendar week breakdown of a claimant's earnings. By helping this agency detect potential overpayments quickly, you will substantially reduce the time that your company spends completing our forms. Submitting accurate reports to Utah's New Hire Registry will save your company time and money. If you have New Hire questions, please call 801-526-9235 or 800-222-2857 and select option 7.

**Remember, the filing of
your Quarterly Wage report
is not the same as New
Hire Reporting!**

