



**WORKFORCE  
SERVICES**  
UNEMPLOYMENT INSURANCE

UNEMPLOYMENT INSURANCE (UI)

# Employer Contribution & Benefits

## TRAINING



# Welcome●



The unemployment compensation fund is designed to pay benefits to workers who become unemployed through no fault of their own. Unemployment tax during a strong economy in preparation for when the economy slows.



# Contents●



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- Types of Employers
- Exemptions from Coverage
- FUTA Credits
- Tax Rates and Formulas for Calculating Eligibility for Unemployment Insurance Benefits
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# New Hire Reporting Requirements●

Must report within 20 days of first day worked or within 60 days of a rehire:

- Employee SSN
- Employee name
- Employee address
- Date of hire
- Employer FEIN
- Employer name
- Employer address



Optional information:

- Employee Date of birth





# Types of Employers ●



- A **contributory** employer pays a quarterly unemployment insurance tax.
- A **reimbursable** employer does not pay a quarterly contribution to the Trust Fund.  
Only governmental or non-profit 501(c)(3) entities can opt to be reimbursable
- A **successor** employer is one that acquires an existing business and meets the required conditions prescribed by rule.
- The **predecessor** is the employing unit which last operated the business and no longer is an employer in Utah.

# Types of Employers●

## Merger (Inheritance Transfer)



- In a **merger** (inheritance transfer) an existing business acquires another existing business.
- The acquired company's unemployment insurance account is closed, and the history of its taxable wages and benefit costs are transferred to the surviving company's unemployment insurance account.
- The combined history of both the acquired company and the surviving company are used to calculate the contribution rate.



# Reimbursable Employers ●

- **Reimbursable** employers are never eligible for relief of charges. However, wages may be excluded from the claim in certain situations
- Reimbursable employers do not pay a quarterly contribution to the Trust Fund on taxable wages
- A reimbursable employer's liability is limited to the amount of benefits paid to the claimant
- Note: Reimbursable employers may be required to pay interest, penalty and collection costs on past due amounts



# Who is Subject to the Employment Security Act?

- Employed one or more individuals for some portion of a day during a calendar year
- Acquired your business from an employer subject to the Act
- All non-profits without 501(c)(3) classification are subject if employ one or more individuals for some portion of a day during a calendar year
- Agriculture – ten (10) or more employees in 20 weeks OR \$20,000 in a quarter.
- Wage of \$1,000 or more in calendar quarter for domestic employee
- Corporation and pay remuneration to corporate officers
- Employer subject to FUTA





# Exemptions From Coverage: Sole Proprietor/Partner.



- Services performed by an individual owner (proprietor) and his/her:
  - Spouse
  - Parent(s)
  - Minor child or children (under age 21)
- Services performed by a general partner:

A worker who bears an exempt relationship to all partners (a minor child in a husband and wife partnership, for example), would also be exempt
- This applies to partnership entities **NOT** to LLC's



# Exemptions from Coverage: LLC.

Services performed by a member of Limited Liability Company (LLC), who are filing with the IRS as a sole proprietorship or a partnership:

- If filing an 1120S Federal Corporate return
- All member's wages are subject to UI coverage and contributions
- There is no family exemption for an LLC



# Exemptions From Coverage: Independent Contractors.

Services performed by an individual are considered to be employment subject to UI unless the following elements are clearly demonstrated:

- Customarily engaged in an independently established trade occupation, profession, or business of the same nature as that involved in the contract of hire for services; and
- The individual has been and will continue to be free from control or direction over the means of performance of those services, both under the individuals' contract of hire and in fact.



# Exemptions From Coverage: Salespersons.



Salespersons who:

- Do not work on the employer's premises
- Are free from the employer's control and direction
- Are paid solely by way of commission





# Wages ●

Wages as defined by section 3306(b), internal revenue code of 1986.



# FUTA Credits ●

Annual Federal Unemployment Tax (FUTA, Form 940) return is due January 31 for the prior calendar year.

- If your state unemployment insurance is paid by January 31, then you can receive up to a 90% credit against your FUTA tax
- FUTA rate minus Credit = Final FUTA rate
- Example:  
6% FUTA tax - 5.4% credit for timely payment of state unemployment insurance = .6% final FUTA tax





# UI Tax Rate Notice ●

- Rate notices will be mailed out in late November for the following calendar year.
- Employers have the right to appeal their rate determination within 30 days of notification.



# Calculating Tax Rates ●



- New employers are assigned a rate based upon average rates of all employers in their respective industries
- An “earned” rate is based upon payroll and is assigned January 1 of the year following the first full fiscal year (July 1 - June 30)
- Per Statute construction contractors who have operated in another state before coming to Utah will receive the maximum rate of 7.3%



# Formula for Calculating Experience Tax Rates ●

- Benefit Costs: Unemployment benefits paid to former employees that are charged to the employers account

- Taxable Wages: The taxable portion of each employees wages .

*Taxable wage base is updated yearly*

*Total wages are reported, but the amount in excess of the taxable wage base is not taxed*

- The Benefit Ratio:  $(\text{Benefit Costs} / \text{Taxable wages})$  is calculated on the last four fiscal years.

*A fiscal year is July 1 – June 30*



# Formula for Calculating Experience Tax Rates Cont.

- **Reserve Factor:** The reserve factor is a multiplier (factor), which is adjusted up or down on an annual basis depending on the overall health of the UI Trust Fund balance
- **Social Costs:** The Social Costs are those Benefit Costs that are not attributed to a specific employer
- **Surcharge:** A 1% surcharge is added to the overall rate if the employer owes contribution for the prior fiscal year



# Example Formulas

$$\frac{\text{Benefit Costs}}{\text{Total Taxable Wages}} \times \text{Reserve Factor} + \text{Social Tax} = \text{Overall Contribution Rate}$$
$$\frac{\$1,550}{\$50,000} \times .031 + .003 = .034$$

Quarterly taxable wage \$4,550 x 0.034 = \$154.70 (quarterly tax)





# Due Dates and Filing Methods

- Due dates to report quarterly wages and pay quarterly taxes:

Quarter	Paid From	Report Due By:
1st Quarter wages	January – March	April 30
2nd Quarter wages	April – June	July 31
3rd Quarter wages	July – September	October 31
4th Quarter wages	October – December	January 31

- File online (required) <https://jobs.utah.gov/ui/employer/login.aspx>



# Filing Quarterly Reports

Online filing is the required method for filing quarterly reports.

The screenshot shows the 'Unemployment Insurance and New Hire Reporting' website dashboard. At the top right, there is a sign-in link: 'Hello. Click here to sign in.' and a 'Live Chat' button. A navigation menu includes: Home, Tax, Payments, New Hire, Claims, Registration, Correspondence, Admin, and Info. A system message box contains links for: Tax Rate Information, Single Sign On Tutorial, New to Online Filing, and The latest Employer Advisor. The main dashboard is divided into several sections: 'Tax Reporting' (with a calendar for April 30, 2023, and a 'File Tax Report' button circled in red), 'New Hire Reporting' (with a 'File a New Hire Report' button and a 'File New Hire Report' button), 'Claims' (with 'File a Form 606' and 'File a Wage Audit' buttons), 'Correspondence' (with a 'View Correspondence' button), and 'Account Admin' (with options like 'View account profile' and 'Post a Job').



# Unemployment Insurance Eligibility and Claims Filing



Two determinations of eligibility:

- **Monetary** determination
- **Non-monetary** determinations

Claims are filed online (required) at:

- **[jobs.utah.gov](https://jobs.utah.gov)**



# Eligibility for UI Benefits: Weekly Benefit Amount (WBA)●



- Maximum and minimum WBA amounts are adjusted each year
- Maximum duration = 26 weeks
- Minimum duration = 10 weeks
- Claimants certify eligibility every week



# Eligibility for UI Benefits: Non-Monetary Determinations●



- Able and available to work
- Separations:
  - Reduction in force
  - Voluntary quit
  - Discharge
- Suitable work
- Separation Payments






# Eligibility for UI Benefits: Able to Work.

- Must be physically and mentally able to perform work in normal occupation
- Must be readily available to accept and start a full time job

DWS-WDD-304  
Rev. 11/2017



State of Utah  
Department of Workforce Services  
**MASTER APPLICATION**

The purpose of a Master Application is to have all of your contact information, education, experience, and skills in one document for completing employment applications.

**1. Applicant Information**

Name: \_\_\_\_\_  
Last First Middle Initial

Address: \_\_\_\_\_  
Street address

City State Zip

Home phone: \_\_\_\_\_ Cell phone: \_\_\_\_\_

Email address: \_\_\_\_\_ Are you a veteran? .....  Yes  No

Have you ever been convicted of a misdemeanor or felony? .....  Yes  No

If yes, please explain: \_\_\_\_\_

**2. Employment Interest**

List the positions you are interested in by specific title (typist, carpenter, auto mechanic).

1st choice: \_\_\_\_\_ 2nd choice: \_\_\_\_\_

Available to work:  Full time  Temporary  Part time  Shift work

Date you can start: \_\_\_\_\_ Desired salary: \_\_\_\_\_

**3. References**

Name/Title	Company/Address	Telephone/Email
Professional		



# Eligibility for UI Benefits: Available for and Seeking Work.

- Claimants are required to make an active work search of at least four (4) NEW contacts each week
- Exceptions may be granted to the work search requirement for:
  - Attached union members
  - Job attached (will begin employment within 3 weeks)
  - Special circumstances for school/ training attendance related to department approved training programs



# Eligibility for UI Benefits: Voluntary Quit.



- Voluntary quit is if the employee was the moving party in ending the employment relationship
- Employee (claimant) has the burden of meeting one of two different standards:
  - Good cause
  - Equity and good conscience



# Eligibility for UI Benefits: Discharge●

A separation is considered discharge when:

- The employer is the moving party causing the separation
- Employers have the burden of proving the following elements:
  - Culpability
  - Knowledge
  - Control





# Eligibility for UI Benefits: Discharge for a Crime●



In Utah, being discharged for crime will result in a mandatory 52 week disqualification for the claimant and removal of the impacted employers' wages from the monetary calculation of Unemployment Benefits.





# Eligibility for UI Benefits: Suitable Work and Part-time Employees ●

Things to consider regarding suitable work:

- Wages
- Location of work
- Prior experience and skill
- Working conditions, including hours of work

- Claimants who continue to work part-time may be entitled to benefits
- Wages earned must be reported every week
- The employer may be relieved of charges if the employee's hours have not been reduced
- Employers are not eligible for relief of charges for employees working "on call"

# Separation Payments●

Types of separation pay:

- Vacation
- Severance
- Payments for remaining on the job



# Non-Compliance●



Report claimant's non-compliance.  
Sometimes referred to as fraud:

- Online: [jobs.utah.gov/ui/fraud/uifraud.html](https://jobs.utah.gov/ui/fraud/uifraud.html)
- Employer line: 801-526-4400 or 888-848-0688, opt 2, then 3
- Fax the information to 801-526-9800 or 801-526-4402
- Include as much information as possible about the claimant and the potential activity that would be disqualifying.



# Non-Compliance or Fraud Examples●

- Failure to report work or earnings
- Identity theft
- Inability to work
- Failure to look for or apply for work
- Refusing a job offer
- Working “under the table”
- Failure to report a separation
- Self employment/contract work



# Recommendations for Controlling Costs●

## Steps to Take Prior to Separation



- Hire right! (check references)
- Give employee job description and outline expectations
- Develop clear statements of policy
- Monitor employee performance
- Discuss issues/concerns when they occur
- Keep accurate notes
- Be consistent in disciplinary actions





# Recommendations for Controlling Costs●

## Helpful Hints for Discharge

- Employee resigns, rescinds and employer refuses
- Employee quits in lieu of discharge
- Employer waits to discharge
- Employer has ROF and poor performers go first
- When firing, don't "beat around the bush"





# Recommendations for Controlling Costs●

Disagree with a Decision? File an Appeal



- Appeal before the deadline found on the original department determination
- Verify your participation at least 24 hours prior to the hearing
- Invite witnesses that have first hand knowledge
- Provide documents to all parties before the hearing
- The administrative law judge is an impartial fact seeker



# Recommendations for Controlling Costs.

## Requests for Information

It is critical that employers respond to all requests for information as quickly as possible



# Employer Web Page 1

**WORKFORCE SERVICES**  
UNEMPLOYMENT INSURANCE

Home About Divisions Partners Sign in

Job Seekers Employers Assistance Economic Data

## KEEPING UTAH'S ECONOMY STRONG

We collect employer contributions through the state's unemployment program to bridge the gap for workers who are unemployed through no fault of their own.

[Learn More](#)

### Employers

File tax and new hire reports, make online payments, respond to claims and manage your account.

[Learn More](#)

### Claimants

File a new or weekly unemployment claim, manage your benefits and find answers to your questions.

[Learn More](#)

### Am I Eligible?

Determine if you are eligible to receive unemployment benefits.

[Learn More](#)

### Overview

Learn more about how the Unemployment Insurance program keeps Utah's economy strong.

[Learn More](#)



# Employer Web Page 2

**DEPARTMENT OF WORKFORCE SERVICES**

Home About Divisions Partners Sign in

Job Seekers Employers Assistance Economic Data Q

Unemployment Insurance and New Hire Reporting

Hello. Click here to sign in.

Home Tax Payments New Hire Claims Registration Correspondence Admin Info Live Chat

**System Message**

- Tax Rate Information. Please click here for details.
- Single Sign On Tutorial: Utah-ID
- New to Online Filing? Please click here.
- The latest Employer Advisor is now available. Please click here to read it.

**Tax Reporting**

Apr 30 Current Filing Qtr: 2023 Q1 Due: April 30, 2023

**Other Options**

- View or amend past reports
- Get employer account PIN
- File Form 794
- View all tax reporting options

File Tax Report

**New Hire Reporting**

File a New Hire Report

**Other Options**

- View past new hire reports
- View all new hire options

File New Hire Report

**Claims**

File a Form 606 (eResponse)

File a Wage Audit (613)

**Other Options**

- View history of 613 responses
- View all claims options

**Account Admin**

- View account profile
- Rate notice (Form 45)
- Update address information
- File an appeal
- Information for appeals
- Post a Job

**Other Options**

- View all account admin options

**Payments**

**Other Options**

- View/edit EFT payments
- Make a payment without signing in

**Correspondence**

View Correspondence

**Other Options**

- View all correspondence options

**Business Registration**



# Questions?



**WORKFORCE  
SERVICES**  
UNEMPLOYMENT INSURANCE

## UI BENEFITS

Claim Filing and Separation  
Requests:

[jobs.utah.gov/ui](https://jobs.utah.gov/ui)

Report Fraud:

801-526-4400 or

888-848-0688, option 2, then 3

[jobs.utah.gov/ui/fraud/uifraud.html](https://jobs.utah.gov/ui/fraud/uifraud.html)

## UI CONTRIBUTIONS

Quarterly Tax Filing:

[jobs.utah.gov/ui/employer/  
employerhome.aspx](https://jobs.utah.gov/ui/employer/employerhome.aspx)

Tax rates, subject wages and  
New Hire reporting:

801-526-9235