



Requirements for corporate officers

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Officers are not covered for unemployment insurance unless specifically requested by the business

The following describes unemployment-insurance registration requirements for officers of corporations that do business in Washington. The law applies only to businesses that are corporations.

Requirements and deadlines

As of December 29, 2013, most corporate officers in Washington are not covered for unemployment insurance unless the employer requests coverage and Employment Security approves the request. (See "Eligibility for benefits" below.)

Note: The corporate-officer law has changed several times over the years. Businesses that requested coverage for their corporate officers under a previous version of the law should be aware the coverage will not continue unless they submit a Voluntary Election Form to Employment Security.

Employers that don't want to cover their corporate officers for unemployment insurance don't have to do anything; coverage will not be provided after 2013 unless specifically requested.

All or nothing: Under the December 2013 law, if a business wants to cover even one corporate officer, it must cover all of them.

Deadlines for requesting coverage are the first day of the third month in each quarter (e.g., March 1 for first quarter, June 1 for second quarter, etc.).

Two-year minimum: If a business requests and is approved for corporate-officer coverage, it must provide that coverage for a minimum of two calendar years. After that, the annual deadline to drop coverage is January 15 for that calendar year. Requests submitted after January 15 won't take effect until the following calendar year.

Eligibility for benefits

The 2013 law expands corporate-officer eligibility for unemployment benefits for officers who own 10 percent or more of a corporation (or has a family member who is a corporate officer and owns 10 percent or more). Specifically, an officer may qualify for unemployment benefits if less than 25 percent of the wages used to establish his or her claim came from the corporation. Previously, officers were ineligible for benefits if any wages used to establish a claim were paid by the corporation.

Tax implications

If corporate officers are covered for unemployment benefits, they must be reported as employees and state unemployment taxes must be paid on their wages each quarter. Then, they may be eligible for unemployment benefits if they lose their jobs.

If officers are exempt from coverage, corporations are not required to pay state unemployment on them, and the officers are not eligible for benefits if they lose their jobs. However, the corporation must pay full federal unemployment taxes (FUTA) on them.

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