ATT. 2

A new law, taking effect January 1, 2009, changes the way corporate officers are covered for unemployment insurance purposes. Under the new law (RCW 50.04.165), corporate officers are covered for unemployment insurance unless exempted.

> *Please Note*: This new law only applies to corporate officers in corporations. It does not apply to non-profit 501(c)(3) corporations, sole proprietors, partnerships, or limited liability companies (LLCs).

To be exempted, corporate officers must each submit an individual form. The forms are still in development but will be available shortly at TaxForms.go2ui.com. If the form is not filled out, corporate officers *will not* be exempted and will need to be reported as employees and unemployment taxes will need to be paid on their wages each quarter. It also means that they may be eligible for unemployment benefits if they lose their jobs.

To be exempted for 2009, forms must be submitted by January 15, 2009. If a form is postmarked later than January 15, the exemption will not start until January 2010.

Once exempted, the right to reinstate coverage is limited and covered by WAC 192-310-170. Exempting corporate officers may avoid some state unemployment insurance costs.

You can get updates on this process as they come out by signing up to our list serve at efile.go2ui.com and click the link toward the bottom of the page called "Sign up for e-mail reminders and information."

If you have questions, please contact your district tax office.