

Business Update

Things we need to know, and why

This is the first of periodic articles about some of the reports that employers need to file regularly, why we need the information, and how providing the right information helps you.

Quarterly tax and wage reports

We need a tax and wage report from you every quarter, even if you don't have reportable wages. Also be sure to submit a report even if you can't pay your taxes at the time of filing.

Employee information

It's very important to make sure you include the right number of hours worked and accurate Social Security numbers in your reports. Having complete and accurate information helps us match hours and wages with workers and determine if workers are entitled to benefits – and it helps you avoid unwanted penalties

No-payroll reports

Even if you don't have employees during a particular quarter, you still need to file a report saying you had no payroll. Otherwise, we don't know if you had employees and forgot to file, if your report got lost in the mail, or if your business is no longer operating. If you have no payroll for two years, we will no longer consider your business to be an active account.

Electronic filing

You have many options when it comes to filing your quarterly tax and wage reports. We encourage you to file electronically using Employer Account Management Services (EAMS), which is our newest and most comprehensive application, available at efile.go2ui.com. If you prefer paper, you must use both the 5208A to report taxes and the 5208B to report wages.

Format for paper reports

We receive thousands of paper reports and we process them electronically, so it's critical to use the proper format. Our technology lines up with the "anchors" on the form and uses blue "drop-out" ink that doesn't reproduce when copied. If you submit reports on forms that are photocopied or come from a vendor, our machines can't read the form. And if we can't electronically process the forms, they need to be retyped, which can lead to errors, additional costs and penalties.

Updating business structure information

If your business takes on a new name, address, identification number, business structure or type of business activity, use the Business Change Form (Form 5208C-1) to let us know. Also use this form if you sell all or part of your business, if you no longer have Washington employees, or if you want to close your account. The form is available at taxforms.go2ui.com.

EIN or business structure

We need to know if you change your federal EIN or the type of business structure you use (e.g., sole proprietor, corporation, partnership). We report this to the IRS, which also charges you federal unemployment taxes (FUTA). If you pay state unemployment taxes, you get a credit against your FUTA taxes that may lower your FUTA tax rate from 6.2 percent to 0.8 percent. If the EIN and business structure don't match between Employment Security and the IRS, you may have to pay the full 6.2 percent.

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Please share this with:

- Owner
- Accountant/Bookkeeper
- Business Associate
- HRM Manager
- Office Manager
- Other _____

March 2010

Did you know?

Did you know that having a stable benefits fund helps keep tax rates down?

As of Feb. 12, Washington's benefit fund had \$2.4 billion – enough to pay about 12 months of benefits.

Maintaining more than seven months worth of benefits avoids a 0.2 percent solvency charge for all employers, and having more than 10 months of benefits in the fund subtracts up to 0.4 percent from the social-cost tax rate.

Twenty-eight states have depleted their unemployment-insurance benefits funds and are borrowing from the federal government. As of Feb. 11, these states owed more than \$31 billion to the federal government.

Sign up for e-mail updates

You can sign up for e-mail updates related to various unemployment insurance topics to keep yourself informed. Go to efile.go2ui.com and select "Sign up for e-mail reminders and information."

Technical support for Internet tax filers

Phone – 800-565-4660

E-mail – uiftsupport@esd.wa.gov

Order tax forms

Phone – 360-902-0916

E-mail – taxforms@esd.wa.gov

Benefits information

For questions related to specific benefit claims, call 877-504-5607.

Business activity

We need to know your business activity (what your business actually does) in order to classify you properly. This allows us to calculate the proper tax rates if you are a recent employer and provide accurate economic information to both state and federal governments. (Part of Employment Security's role is to gather economic information, even though this is unrelated to unemployment insurance.)

Sell all or part of a business

If you sell all or part of your business, you are considered a predecessor to the buyer and must notify us within 30 days. If you sell the entire business, unemployment taxes are due within 10 days. If you sell part of your business, it may affect the buyer's tax rate.

District tax offices ready to help

During these tough economic times, taxes become more difficult to pay for many employers.

When you are having difficulty meeting your quarterly tax obligations, the best thing you can do is contact your Employment Security Department district tax office. The tax-office staff can offer strategies to help you meet your quarterly obligation, even if you have past-due taxes from prior quarters.

For example, they have the ability to establish a deferred-payment contract for businesses that are having trouble paying their taxes. These contracts allow businesses to make monthly payments to satisfy their overdue tax obligations.

Establishing a deferred-payment contract also helps employers avoid a delinquent-tax rate for the next calendar year. For businesses that are barely making it, a delinquent-tax rate of 7.06 percent may be too much to endure.

If you are unable to meet your quarterly tax obligation, please pick up the phone and call your district tax office. We want to help.

Include corporate-officer wages on quarterly reports

Unless corporations have requested and been approved to exempt their corporate officers from unemployment insurance coverage, you must include the officers and their in-state wages in your unemployment-insurance quarterly reports. The next reports are due April 30, 2010.

It is too late for existing corporations to request exemption of their officers for 2010, since the deadline was Jan. 15, 2010. Requests for exemption received or postmarked after Jan. 15 will be considered for exemption starting in 2011.

Upcoming training/workshop schedule

Attend a local workshop to learn more about unemployment taxes and state services, such as tax requirements for various types of businesses, how to report and pay state taxes properly, requirements for reporting new employees and the services that are available through WorkSource.

Date	Topic	City	Contact
Mar. 26	L&I contractor training day	Bellingham	360-902-4733
April 9	Business tax workshop	Spokane	509-532-3130
April 20	Tax information in Spanish	Sunnyside	360-754-0136
April 21	Business tax workshop	Renton	253-437-3440
April 22	Business tax workshop	Kennewick	509-735-0939
April 22	Tax information in Spanish	Yakima	509-574-0136
June 17	Business tax workshop	Kennewick	509-735-0939
June 24	Business tax workshop	Kennewick	509-735-0939

The Employment Security Department is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech-impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge in order to conduct business with the department.

Contact us

District tax offices

Staff at your local office can answer most of your tax questions, including specific questions about your account. For addresses and e-mail information, visit dto.go2ui.com.

Bellevue	425-649-4388
Bellingham	360-676-2070
Lynnwood	425-774-2380
Seattle North	206-706-3801
South Sound	253-593-7380
Spokane	509-532-3090
Tri-Cities	509-735-0939
Vancouver	360-735-5050
Wenatchee	509-662-0448
Yakima	509-574-0137
Tribes	360-902-9780
Out-of-state	509-574-0179

Report fraud

Let us know if you suspect that a business is not paying its unemployment taxes properly or if a worker is collecting benefits he or she is not entitled to.

Employer and claimant fraud hotline: 866-266-1987

E-mail for employer fraud – undergroundeconomy@esd.wa.gov

Visit us online at
bizupdate.go2ui.com

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