

# Business Update

Please share this with:

- Owner
- Accountant/Bookkeeper
- Business Associate
- HRM Manager
- Office Manager
- Other \_\_\_\_\_

## Protect your tax rate for 2009

You must submit all past-due taxes, plus added charges as allowed by law, and file late reports to us by September 30, 2008, to avoid a delinquent tax rate for 2009. The delinquent tax rate for 2008 was 6.23 percent. We will set the delinquent tax rate for 2009 in December.

If you cannot make full payment now, you can set up a payment plan by calling your district tax office. You will receive your earned tax rate for 2009, rather than the delinquent tax rate, if we approve your payment plan before September 30, 2008.

Note: Assigned tax rates are in effect for the entire year.

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## Corporate Officers

The Washington state legislature passed a law in 2007 that affects the way corporate officers are covered for unemployment insurance purposes.

Under the old law, corporate officers are exempt from unemployment insurance unless the employer elects to cover them. Beginning January 1, 2009, corporate officers who provide services in Washington are automatically covered for unemployment insurance unless the employer exempts them. The exemption provisions of this law do not apply to 501(c)(3) nonprofit corporations or reimbursable employers.

### What happens if corporate officers are covered?

You do not need to complete any paperwork if you want to cover your corporate officers for unemployment insurance. However, beginning in 2009, you must include the officers and their wages earned in Washington on your quarterly tax reports. You will pay state unemployment taxes on your corporate officers each quarter just as you do for all other employees. They may also be eligible for unemployment benefits if they lose their jobs.

### What happens if corporate officers are exempted?

If you decide to exempt your corporate officers from coverage, you do not report them or pay state unemployment taxes on them. They also are not eligible for benefits if they lose their jobs.

You will not be eligible for your tax credit on FUTA taxes if you exempt your officers from state coverage. Your total taxes (state taxes and FUTA) may go up or down depending on the salaries of individual corporate officers and your state tax rate.

### What is the exemption process?

If you wish to exempt officers, you must submit a separate form for each officer, even if your company's officers were exempt under the old law. We will have the forms available shortly at [TaxForms.go2ui.com](http://TaxForms.go2ui.com). Unless the form is submitted, we *will not* exempt the corporate officers and you will must report them as employees and pay unemployment taxes on their wages each quarter. They may also be eligible for unemployment benefits if they lose their jobs.

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## September 2008

### 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](http://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

Native American tribes  
360-902-9780

Out-of-state employers  
509-574-0179

\* Serves Grays Harbor, South King, Kitsap, Lewis, Mason, Pacific, Pierce and Thurston counties.

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Your exemption request must be *postmarked by January 15, 2009* to take effect in 2009. If your request for exemption is received or postmarked after January 15, the exemption starts January 1, 2010. We will notify you if we approve your request.

### **What if our officers are already exempt for unemployment coverage?**

You must submit a new exemption form if you want your officers to remain exempt.

### **Where can I get additional information?**

You can get updates by signing up for our e-mail list at [efile.go2ui.com](http://efile.go2ui.com) and go to the bottom of the page and select “*Sign up for e-mail reminders and information.*” We will mail detailed information in September or October to all corporations registered with us.

### **Discover a skilled workforce resource**

A new statewide program is opening doors to a talented, skilled and largely untapped workforce resource for Washington employers: military family members of active-duty personnel.

The Military Family Friendly Employer Partnership Initiative (MFFE) meets Washington employers’ urgent need for skilled workers and saves employers the cost of employee health insurance, training programs and nation-wide job searches.

An outdated perception that military family members’ job duration will be less than their civilian counterparts has historically kept employer doors closed and perpetuates the high unemployment rate of this underused labor pool. Reality is far different. Today’s military supports a longer tour of duty – often as long as four to six years. Military spouses have medical insurance, access to low-cost job training, and skills and education they can bring to a company.

MFFE is creating a win-win-win partnership for employers, military family members and our armed forces. The advantages, exposure, and savings of this initiative to Washington employers are dramatic. Be one of the first to join this national effort. Go to: [www.militaryfamilyfriendlyemployer.com](http://www.militaryfamilyfriendlyemployer.com) or call (360) 659-7700.

### **Local workshops**

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.

<b>Date</b>	<b>Topic</b>	<b>City</b>	<b>Contact</b>
Sept. 25	general tax information	Ellensburg	509-574-0135
Sept. 26	general tax information	Spokane	360-902-4733
Oct. 1	e-file, reporting, exemptions	Yakima	509-574-0137
Oct. 5	business expo	Bellevue	509-438-0781
Oct. 8	e-file, reporting, exemptions	Yakima	509-574-0137
Oct. 10	general employer information	Spokane	509-532-3130
Oct. 16	general tax information	Everett	425-774-2382
Oct. 23	general tax information	Tri-Cities	509-735-0939
Oct. 24	L&I contractor training day	Tumwater	360-902-4733
Nov. 14	L&I contractor training day	Seattle	360-902-4733
Dec. 19	L&I contractor training day	Bellingham	360-902-4733

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 to the customer in order to conduct business with the department.

UI-08-0155

### **Benefits information**

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

### **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.

Phone for worker benefit fraud – 866-266-1987

E-mail for employer fraud – [undergroundeconomy@esd.wa.gov](mailto:undergroundeconomy@esd.wa.gov)

### **Technical support for Internet tax filers**

Phone – 800-565-4660

E-mail – [uiftsupport@esd.wa.gov](mailto:uiftsupport@esd.wa.gov)

### **Order tax forms**

Phone – 360-902-0916

E-mail – [taxforms@esd.wa.gov](mailto:taxforms@esd.wa.gov)



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