

Unemployment insurance will be optional for corporate officers

The state legislature has changed the rules for reporting wages of corporate officers.

Beginning with the first quarter of 2014, no corporation will pay unemployment taxes on the wages of corporate officers *unless* it has submitted a [Voluntary Election](#) form to have corporate officers covered by unemployment insurance and the form has been approved by the Employment Security Department. The form is available at esd.wa.gov/tax-forms.

Until then, corporations must pay unemployment taxes on the wages they pay their corporate officers unless they have requested and received an exemption. Corporations without exemptions must continue to report and pay taxes on corporate-officer wages for all four quarters of 2013.

Employers must answer information requests promptly/completely

Beginning October 20, employers and their representatives face new consequences if they have a pattern of failing to respond timely or adequately to information requests from Employment Security without good cause. Their experience-rating accounts will be charged for benefits paid incorrectly on claims.

The definition of a pattern is occurring three times during the previous two years or for 20 percent of the total current claims against the employer.

Unemployment coverage changes for fishing and news industries

As of July 28 this year, three services are no longer automatically covered by unemployment insurance. Employers don't have to file or pay unemployment taxes for these types of workers, and the workers are not eligible for unemployment benefits.

- Fishing boats with a crew of fewer than 10 people whose pay depends solely on the catch (either a share of the catch or a share of the proceeds of the catch).
- Newspaper vendors, carriers or delivery people who sell or distribute newspapers in four ways (on the street, to offices, to businesses, or from house to house).
- Freelance news correspondents or stringers who use their own equipment to submit material in two ways (for a fee when the material is published or for free).

Any employer who would like to cover workers in these services should submit the [Voluntary Election](#) form available at esd.wa.gov/tax-forms.

If your permanent part-time employee has a second claim

Beginning next year, you can keep benefits paid to an employee from affecting your tax rate if the employee:

- Qualifies for two consecutive unemployment claims.
- Was your regularly scheduled permanent, part-time employee in both base years.
- Continues to work for you on a part-time basis.

You must send a written request for relief of benefit charges to Employment Security within 30 days after receiving the initial notice of liability for the second claim.

September 2013

Did you know?

We've just updated our unemployment insurance [Tax handbook for employers](#). You can find it at esd.wa.gov/tax-forms under *Publications*.

Free employer workshops

Learn more about unemployment insurance. For a current schedule, visit esd.wa.gov/uitax/workshops.php.

Sign up for email updates

Stay informed about unemployment insurance. Visit esd.wa.gov/uitax and click [Sign up for email updates](#).

Report electronically

See your options at esd.wa.gov/file-taxes.

Questions about taxes?

Call 855-TAX-WAGE to ask questions about unemployment taxes.

Questions about benefits?

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

Need technical support for online tax filing?

800-565-4660 or uiftsupport@esd.wa.gov.

Reporting fraud

If you suspect a business is not paying unemployment taxes or someone is wrongfully collecting benefits, call our fraud hotline at 866-266-1987, or click our fraud link at suspectfraud.com.

Feds offer big incentive to participate in Shared Work

Washington's Shared-Work Program already was attractive to employers because it helps save jobs. Now, the federal government will pay most program costs for three years.

Thanks to a recent change in state law, the federal government will reimburse Employment Security for about 95 percent of shared-work benefits paid to workers through June 2015. As a result, shared-work benefits will have very little effect on the tax rates of participating employers.

Shared work allows employers to reduce the hours of their full-time employees by 10 to 50 percent, while the workers collect partial unemployment benefits to replace some of their lost wages. As a result, businesses reduce their payrolls without losing skilled workers.

Washington's program attracted nationwide interest for its effectiveness at saving jobs and helping employers stay in business during the Great Recession. In 2012, Congress adopted legislation encouraging other states to create similar programs or to improve existing ones – and approved the federal reimbursement as an incentive.

To learn more about the [Shared-Work-Program](#), visit esd.wa.gov and enter *shared work* in the search box, or call us at 800-752-2500.

Protect your tax rate for 2014

To avoid a delinquent-tax rate for 2014, file all tax reports and pay all current and past-due unemployment taxes, penalties and interest in full by September 30.

Delinquent employers receive a *minimum* 1 percentage point increase in their regular tax rate the first year they are delinquent and a 2 percentage point increase if they are late a second consecutive year. They also pay the maximum shared-cost (social) tax rate.

New tax correspondence is coming to your mailbox

You'll soon begin receiving new and improved versions of our tax letters and forms, which we revised to be clearer and easier to understand.

On the new correspondence, you'll see "000" added to the front of your account number, making it 12 digits long. The extra digits give us more numbers to assign to new employers. Please continue to use your current nine-digit account number when you file your taxes until we ask you to use the new number, which won't be for at least a year.

Try our online tax tools for businesses

Employer Account Management Services (EAMS) offers a quick and easy way to manage your Employment Security account. A user with full access can:

- File and pay unemployment taxes.
- Amend quarterly reports.
- Upload previously reported data to the current period.
- Calculate excess wages.
- Check tax rates.
- Cancel pending payments.
- View your payment history or account balance.

For details, visit esd.wa.gov/file-taxes.



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 to conduct business with the department.

If you have no payroll

Be sure to file a quarterly report, even if you have no employees. If you don't file a quarterly report, we can't tell if it was deliberate or if you simply forgot. For details about how to [File a No-payroll Report](#), enter *no payroll* in the search box at esd.wa.gov.

Hire now to maximize federal tax credits

Federal tax credits of up to \$9,600 are available for hiring certain categories of military veterans, food stamp recipients, the disabled and others.

The total credit is based on the type of worker hired, the number of hours worked in a calendar year and earnings.

The earlier you hire, the more likely you are to earn the full tax credit. For more information, visit esd.wa.gov/wotc.

Small-Business Guide

The online resource called *Small-Business Guide* contains information about state business licensing, taxation, registration and certification guides in one place. See the guide at bizguide.wa.gov.

Business Update archives

You can view past editions of the Business Update at esd.wa.gov/bizupdate. Click [Archives](#) at the bottom of the page.

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