

# INFO LINK

Your link to information regarding North Dakota Unemployment Insurance

December 2000



Centralized Services  
Business Services Section  
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## Tax Rate Notices Mailed

The 2001 Tax Rate notices were mailed on Dec. 1, 2000.

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*Employer's Contribution and Wage Reports for the quarter ending Dec. 31, 2000, are due and must be submitted by Jan. 31, 2001*

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## Reducing Rates

The North Dakota Unemployment Compensation Law allows the executive director of Job Service North Dakota to provide any negative employer (one whose unemployment insurance account has more benefits paid to its former workers than the employer has paid in taxes throughout the life of the account) a reduction in their unemployment tax rate if:



- In each of the last three consecutive years, the amount of taxes paid by the employer is greater than benefits charged to their account.
- The employer has in place a plan, approved by Job Service North Dakota, which addresses **substantive** changes to that employer's business operation that will reduce and/or contain costs to the unemployment insurance program and ensure that any rate reduction provided will not put the employer's account back into a negative status. *Merely reducing the number of employees to accomplish this is not an option.*

If you are an employer with a negative lifetime balance with the unemployment trust fund and would like more information regarding this incentive, please contact any of our Customer Service Consultants listed on page two of this newsletter or our Business Services Section.

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## Sending Attachments with Quarterly Reports

It is often asked if the information for questions 10, 11 and 12 (Employee's Social Security Number [SSN], Name of Employee, and Gross Wages Paid during the Quarter) on the Employer's Contribution and Wage Report can be an attachment. Many employers have computer programs that already process this information. If your business would like to attach the information, use the following format (listed in columns) and indicate on the Employer's Contribution and Wage Report to "See Attachment":

- Employee's SSN
- Name of Employee
- Gross Wages Paid for the Quarter

Use at least 12-point font and line spacing of 1 1/2 or 2 for the report. Also make sure the attachment is legible to avoid a potential penalty for an incomplete report.

Consider electronic reporting. It is cost effective, efficient, and improves the reliability of the data recorded. Electronic reporting is not yet Internet interactive, although it will be in the future. However, you can currently submit the report on magnetic tape, diskette, or Internet FTP. For more information about electronic filing, visit our website at [www.state.nd.us/jsnd/uins.htm](http://www.state.nd.us/jsnd/uins.htm) and click on "Electronic Tax and Wage Reporting" or call 701-328-2814 or toll-free at 1-800-472-2952.

## Taxable Wage Base for 2001

The taxable wage base in North Dakota for 2001 is \$17,000. This amount is set by law as 70 percent of the statewide average annual wage in North Dakota. Once an employee reaches this amount during the calendar year, any wages earned above this amount are not subject to unemployment insurance tax. This is referred to as Excess Wages (line 2 of the Employer's Contribution and Wage Report).

For example, an employee earns \$25,000 gross wages per year. The employee receives \$6,250 each quarter and reaches \$18,750 in total gross wages by the end of the third quarter. The GROSS WAGES PAID THIS QUARTER field for the third quarter would be the \$6,250 he received that quarter. The amount reported on line "2. Excess Wages" would be \$1,750 (\$18,750 gross wages paid during the calendar year minus the \$17,000 taxable wage base).

Since the wages of this employee exceeds the taxable wage base in the third quarter, all wages paid to this employee in the fourth quarter would be reported in the GROSS WAGES PAID THIS QUARTER field and included in the Excess Wages field.

If you have questions about calculating excess wages, contact one of the Customer Service Consultants or call 701-328-2814 or toll-free 1-800-472-2952.

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## Corporate Officer and/or Limited Liability Company Manager Exemption

The North Dakota Unemployment Compensation Law provides that:

"If a corporate officer is employed by a corporation in which one-fourth or more of the ownership interest, however designated, is owned or controlled by the officer or by the officer's parent, child, or spouse, or by any combination of them, the corporation with the concurrence of the officer may exclude that officer's service from unemployment insurance coverage as of the first day of January of any calendar year if, during January of that year, the corporation files a written application to exclude the officer's service from employment."

"If a limited liability company manager is employed by the limited liability company in which one-fourth or more of the ownership interest, however designated, is owned or controlled by the manager or by the manager's parent, child, spouse, or by any combination of them, the limited liability company with the concurrence of the manager may exclude that manager's service from employment as of the first day of January of any calendar year if, during January of that year, the limited liability company files a written application to exclude the manager's service from employment."

Wages exempted under this provision will not be subject to North Dakota unemployment insurance taxes or usable on future claims for unemployment benefits.

Employers considering this option should keep in mind that the Federal Unemployment Tax Act does not provide for this exemption. FUTA tax ramifications should be examined before selecting this option.

The application form for this option is available from Job Service North Dakota by using the address or toll free telephone number listed on the front of this newsletter or from any of the Customer Service Consultants listed. It will also be available through January on our web site at [www.jobsnd.com](http://www.jobsnd.com) under Job Insurance Info, then Forms.

*NOTE: The application can be filed only during the month of January.*

## CUSTOMER SERVICE CONSULTANTS

Our staff are available to answer your questions at any of the following locations:

### **BISMARCK**

Bob Arnold  
701-328-1610  
Toll-free in ND 1-800-472-2952  
E-mail: [rarnold@state.nd.us](mailto:rarnold@state.nd.us)

### **DEVILS LAKE**

Donald Ripplinger  
701-662-9334  
Toll-free in ND 1-800-247-0982  
E-mail: [driplin@state.nd.us](mailto:driplin@state.nd.us)

### **DICKINSON**

Alan Anton  
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### **FARGO**

Michael F. Misialek  
701-261-9949  
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### **Lonnie Wangen**

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### **GRAND FORKS**

Mike Endres  
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### **Keith Reitmeier**

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### **JAMESTOWN**

Julius Gange  
701-253-6215  
Toll-free in ND 1-800-247-0988  
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### **MINOT**

Mary Schaefer  
701-857-7554  
Toll-free in ND 1-800-482-0017  
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### **WILLISTON**

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