

INFO LINK

Your link to information regarding North Dakota Unemployment Insurance

December 2005



Unemployment Insurance
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***Employer's
Contribution and
Wage Reports for
the quarter ending
December 31, 2005,
are due and must be
submitted by
January 31, 2006***

FEIN REQUIREMENTS

According to the IRS, a FEIN is required if the business is a corporation or a partnership.

Sole proprietors must have a FEIN if they have a KEOGH plan, or if they are required to file excise tax forms such as those for sales tax, alcohol, or tobacco.

Unemployment Insurance Advisory Council

House Bill 1028 established the requirement for an eight-member Unemployment Insurance Advisory Council appointed by the Governor. Five of the members are to be employer representatives, two are to represent employees, and one is to be appointed at-large. The five employer members must be either owners, CEOs, or CFOs of their companies. One of the employer representatives must represent a positive balance employer; and one a negative balance employer. Two must represent employers with fewer than 25 employees; and one must represent an employer with 25 or more employees. One of the employee representatives must "represent organized labor;" and one must not be in a management position. The members are to serve for staggered three-year terms.

The Governor has made appointments to this council. Members appointed to the council are listed below. The council conducted its first meeting November 21st and 22nd 2005 at the Comfort Suites in Bismarck. The first meeting of the council was largely devoted to familiarizing and acquainting the council members with Unemployment Insurance law and operations.

The Unemployment Insurance Advisory Council is responsible to advise Job Service North Dakota on issues relating to the operations, effectiveness, fairness and efficiency of the Unemployment Insurance program. The public may submit comments and recommendations regarding the Unemployment Insurance program to any member of the Council.

Current members of the Council are listed below:

1. Eric Boren - Devils Lake
2. Harry Hawken - Fargo
3. Kari Ness - Jamestown
4. Beth Strube - Dickinson
5. Philip Gisi - Grand Forks
6. Virgil Horst - Mandan
7. Steve Springan - Stanley
8. Susan Stumpf Shearer - Harvey



2006 RATES

The 2006 Taxable Wages Base is \$20,300. Letters were mailed to employers informing them of their 2006 Unemployment Insurance tax rate on December 9, 2005.

Exemption for Reporting of Wages for Corporate Officers or LLC Managers

North Dakota Unemployment Compensation Law provides that work performed by corporate officers or certain limited liability company (LLC) managers who receive remuneration for service must be reported as wages on all quarterly reports filed with Job Service North Dakota. However, the Law also provides an option for exemption in certain cases. To find out if you qualify for this exemption option, you may contact your Customer Service Consultant (listed in this newsletter), or call 1-800-472-2952. The application form (SFN 18411) is available on our website at jobsnd.com.

Below are important items to be considered before applying for an exemption:

- * The Federal Unemployment Tax Act does not provide for this exemption. FUTA tax ramifications should be examined before selecting this option.
- * Wages exempted are not subject to ND Unemployment Insurance taxes; therefore, they are not usable on claims for Unemployment benefits.
- * The application must be filed by January 31 of the year in which it is to become effective, or within 60 days of formation of the corporation or LLC.
- * This option is best for those employers with a high tax rate (6.49% or above).



SUTA DUMPING

HB 1195, passed by the 2005 session of the North Dakota Legislature, contains provisions that apply to staffing services and their North Dakota Unemployment Insurance (UI) accounts. Long-term staffing services will be required to report workers (on their quarterly UI tax reports) assigned to a client company using the client company's unemployment insurance tax account number and will pay taxes using the client company's UI tax rate. These reporting requirements will apply to all contracts effective on or after July 1, 2005.



The entire text of the new law, section 52-04-24, is on our web site at <http://www.state.nd.us/lr/cencode/t52.html>.

UI EASY (Unemployment Insurance Employer Account System) is the employer system.



UI EASY will allow employers to file their quarterly reports, view and change certain account information (address, status), and make ACH debit payments online.

For more information and to use the services for **UI EASY**, visit our website at jobsnd.com.

CUSTOMER SERVICE CONSULTANTS

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

BISMARCK

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701-328-5016
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DEVILS LAKE

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DICKINSON/MANDAN

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