

December 2007



Happy Holidays From
Job Service North Dakota!

NEW UNEMPLOYMENT INSURANCE DIRECTOR

We are pleased to inform you that Darren Brostrom has recently been selected to serve as the Unemployment Insurance (UI) Area Director. Darren has been with the agency since March 2000, when he was hired as the UI Claims Center Manager. He was promoted to Associate Director of UI on July 1, 2006, and effective December 1, 2007, has stepped up to the Director position.



2008 UNEMPLOYMENT INSURANCE (UI) TAX RATES ARE REDUCED

UI tax rates for 2008 were mailed to North Dakota employers on December 7, 2007. The tax rate schedules for 2008 represent a reduction in the average unemployment insurance tax rate from 1.18 percent of taxable wages in 2007 to 0.95 percent of taxable wages in 2008. The new rates range from a minimum of 0.20% to a maximum of 9.86%. New employers in non-construction industries will receive a rate of 1.17% and those in construction industries will receive a rate of 9.86%.

The rate decrease is made possible due to the fact that the Unemployment Insurance Trust Fund balance is healthy. A portion of the projected unemploy-

ment benefit payments in the next year will be funded by drawing down the Trust Fund to a predetermined target, thereby reducing the amount of taxes needed from employers.

The 2008 taxable wage base is \$22,100. This amount is set in statute and represents 70% of the average wage in North Dakota.

The 2007 Legislative Session resulted in changes to the calculation of tax rates; these changes are reflected in the 2008 rates. See our June 2007 InfoLink for a more detailed explanation of the changes which is available on our website at www.jobsnd.com.

Unemployment Insurance (UI) Contact Information

UI Tax and Field Services
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EMPLOYER REMINDER

Effective with the filing of reports for quarter ending 03/31/2008, employers with more than 99 employees will be required to file their reports electronically. If you do not already file electronically, Job Service North Dakota staff is ready to help you make the transition.

Registration information for **UI EASY** is available on our website at jobsnd.com. Other methods of filing include secure FTP, magnetic tape, and CD. Format specifications are also available on our website.

CORPORATE OFFICER OR LLC MANAGER EXEMPTIONS

North Dakota Unemployment Compensation Law provides that remuneration for services or work performed by corporate officers or certain limited liability company (LLC) managers 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, please complete the application form ([SFN 18411](#)) located on our website at [jobsnd.com](#). You may also contact your UI Field Representative (listed to the right), or call 1-800-472-2952.

There are several important items to consider before applying for an exemption:

- The federal unemployment tax does not provide for this exemption. FUTA tax ramifications should be examined before selecting this option.
- Wages exempted are not subject to ND unemployment 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.



VOLUNTARY CONTRIBUTIONS

Qualifying employers may make voluntary contributions to their unemployment insurance account to improve their contributions-to-benefits ratio, and thereby decreasing their assigned tax rate.

Voluntary contributions are applied to the cumulative lifetime and six-year reserves for recalculation of current year rates, and are considered as contributions of the fiscal year in which they are paid. A voluntary contribution will only affect the current year's tax rate if made by **April 30** of the tax year.

Job Service North Dakota is an equal opportunity employer/program provider. Auxiliary aids and services are available upon request to individuals with disabilities.

This newsletter is published by Job Service North Dakota. Articles are for general information only and are not intended to provide specific advice or recommendations.

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