

June 2007

LEGISLATIVE HIGHLIGHTS 2007

Members of the 2007 Legislative Assembly passed several pieces of legislation that affect North Dakota employers and the Unemployment Insurance (UI) taxes they pay. One additional bill will affect Professional Employer Organizations (PEO's). PEO's may also be known as staff leasing companies, employee leasing companies, administrative employers or other names.

ELECTRONIC FILING OF QUARTERLY CONTRIBUTION AND WAGE REPORTS

HB 1057 – Effective with the filing of reports for the first quarter of 2008 – provides for two separate requirements:

1. Employers with 100 or more employees must file quarterly Contribution and Wage reports electronically. Job Service North Dakota (JSND) accepts electronic reports via several methods. **UI EASY**, our Internet reporting tool, allows for either manual entry or the importing of a file containing wage and employee information from your payroll system. Information to register for **UI EASY** may be obtained on our web site at jobsnd.com (click on the **UI EASY** logo on our home page) or by contacting us using the contact information in this newsletter.

Other electronic methods include magnetic tape, diskette, cd, and secure FTP. These last methods require wage and employee information to be submitted in a specific file format. Additional information regarding file formats and submissions may be found on our web site at jobsnd.com or by contacting us using the contact information in this newsletter.



JSND will be identifying employers likely to be affected by this requirement and

contacting them directly. An employer who meets the criteria is responsible to meet the requirement even if not contacted.

2. Payers making a payment for more than one employer must make those payments electronically. JSND accepts electronic payments via ACH Debit or ACH Credit. ACH Debit payments may be made through **UI EASY**. ACH Credit payments are initiated by the payer instructing their bank to make payment to Job Service North Dakota; therefore an application form must be completed prior to making any payments. Additional information regarding electronic payments may be found on our web site at jobsnd.com or by contacting us using the contact information in this newsletter.

UI jobsnd.com
EASY

Unemployment Insurance (UI) Contact Information

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To avoid possible penalties, each employee's Social Security Number and each employee's gross wages must be reported on all Contribution and Wage Reports.

**We're on the
Web!**
www.jobsnd.com

**PROFESSIONAL
EMPLOYER
ORGANIZATIONS (PEO'S)**



**LARGE CONSTRUCTION
PROJECTS
(\$50M or More)**

HB 1278 – Effective August 1, 2007 – changes the formula used to calculate the amount of a bond required to be submitted to ensure that large construction projects (\$50M or more) do not result in a loss to the UI Trust Fund. HB 1278 also eliminates the inclusion of design and engineering firms in the separate reporting portion of the law.

SB 2036 – Effective October 1, 2007 – provides a requirement for Professional Employer Organizations (PEO's) to be licensed to operate in North Dakota. Licensing will be done through the Office of the Secretary of State. The bill, among other things, provides that a person may not operate as a professional employer organization without being licensed. It also provides for a licensing fee as well as minimum requirements for working capital or, in the alternative a bond with a minimum value of \$100,000.



UI TAX RATE CALCULATION

HB 1413 – Effective July 1, 2007 (rates to be calculated for 2008) – changes the way in which UI tax rates are assigned to employers within the Positive Balance Account schedule. The new schedule will allow 60% of the wages (along with the corresponding employers) in the positive balance schedule to be assigned the lowest rate in the category. The remaining 40% will be spread evenly through the other nine categories. The bill was introduced to address a situation in which many positive balance employers had been assigned differing rates even though their relative risk to the UI Trust Fund was similar. This bill has no effect on the total taxes paid by positive balance employers vs. negative balance employers.

SB 2035 – Effective July 1, 2007 (rates to be calculated for 2008) – provides that negative balance employers will not be eligible for rate reductions when the purpose of those reductions is to lower the Trust Fund balance to meet a new lower target. The theory is that these employers have not contributed to the building of the Trust Fund because their workers have historically drawn more benefits from the system than the employer has paid in. It was felt that because of this, these employers should not be entitled to receive the same tax reductions as positive balance employers when the Fund balance is greater than necessary and taxes are reduced. This bill shifts a significant portion of the tax burden from positive to negative balance employers.

File your quarterly Contribution and Wage reports online with **UI EASY!**



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