

June 2008

Unemployment Insurance Associate Director Named



Congratulations to Mark Butland, our new Associate Director of Unemployment Insurance Programs. Mark has been with the agency since December 2003, when he was hired as the UI Appeals Supervisor. He took the position of Manager of Appeals and Quality Assurance for the UI Area in June 2005 and effective April 1, 2008, has stepped into the Associate Director position.

Unemployment Insurance (UI) Contact Information

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SUTA DUMPING (STATE UNEMPLOYMENT TAX ACT)



SUTA dumping refers to tax evasion schemes some employers use to pay less tax than they owe. One type of tax evasion is when a shell company is formed and creatively manipulated to obtain low UI tax rates. When the low rate is obtained, payroll from another entity with a high tax rate is shifted to the account with the lower tax rate. Such abusive schemes force employers who pay their taxes correctly to make up the difference for those that do not.

If someone tells you about a way to lower your unemployment taxes and it sounds too good to be true, it probably is. SUTA dumping is against the law.

Federal law requires the unemployment tax system to be fair for all employers. North Dakota passed the SUTA dumping legislation which became effective in July 2005. For those who attempt, recommend, or participate in such illegal schemes, the law provides for substantial penalties.

SUTA dumping hurts everyone; employers and employees make up the difference in higher taxes, lost jobs, lost profits, lower wages, and higher costs for goods and services.

JSND actively pursues and will prosecute employers who participate in SUTA dumping and other tax manipulation schemes. JSND has the authority to subpoena records and individuals in its investigations. In addition, JSND regularly conducts outreach with employers and tax advisors to ensure they are aware of these schemes and to help them avoid future legal trouble.

To Report Fraud

- Call: 701-328-3065
- Fax: 701-328-1882
- Email: SUTA@nd.gov

Protect your tax dollars by calling us at 701-328-3065 or sending an email if you know of employers or a tax advisor involved in or recommending SUTA dumping.



MISCLASSIFIED WORKERS

The IRS is on the lookout for firms that misclassify workers as contractors. They will be using an electronic matching system to identify companies that issue 1099's with payments of at least \$25,000 to five or more workers who don't have any other source of income. This will trigger audits to determine if the contractors should be treated as employees.



REPORT NEW HIRES ELECTRONICALLY

We invite you to join the increasing numbers of employers conducting child support-related business online. In 2007, 70% of new hire reports were submitted electronically. This speaks to how easy and valuable electronic reporting is for all types and sizes of employers.

Online tools save time and money and enhance the accuracy and completeness of submitted information. In addition, online tools provide a level of security unmatched by traditional submittal methods such as mail.

To **report individual new hires** online via a secure and encrypted website, go to: www.childsupportnd.com. Click on 'Employers' and then click on 'New Hire Reporting'.

To **report a file of multiple new hires** via secure and encrypted web file transfer call: 701-328-3582 (Bismarck, ND) or 800-755-8530 (toll free).

Web file transfer continues to grow in popularity and has been reported as being especially beneficial for employers with high turnover rates or large numbers of new hires.

Go to www.childsupportnd.com to learn about additional online tools related to submitting payments electronically and reporting individual employee terminations and temporary absences.

Thank you to those employers already conducting their child support-related business electronically!!



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HIRING MILITARY VETERANS IS GOOD BUSINESS



Veterans are a valuable resource in today's competitive job market. They receive some of the best training available, which teaches them responsibility, leadership, accountability, and how to handle stress. This training inspires them to motivate others to achieve goals, thus giving employers a great asset to be successful.

Veterans are trained to be team players and leaders wherever and whenever the situation arises. They are taught this attribute starting in basic training and continuing throughout their military careers. They are given the tools to analyze situations, create plans, make decisions, and be responsible for their outcomes.

Because veterans work with such a diverse group of people, they acquire the experience necessary to deal with various cultures of personalities and situations. This becomes very valuable when working with diverse people in the workplace and in the community.

All of the above attributes of today's veteran are strengths that will allow North Dakota businesses to remain competitive and retain our most valuable resource, our citizens. This is a win-win situation for the veteran, our businesses, our community, and the state of North Dakota.

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