

September 2008

EFFECTS OF DELINQUENT QUARTERLY REPORTS

Unemployment insurance tax rates for a calendar year are determined on the basis of the employer's experience with contribution payments and benefit charges as of October 1 of the preceding year. If there are delinquent or missing reports at the time the rates are calculated, usually the third week in November, the employer's rate for the upcoming year will either be the negative employer minimum rate (currently 6.26%) or the negative maximum rate (currently 9.86%), depending on the employer's history and according to the North Dakota Unemployment Compensation Law.

- ✓ Filing reports timely is important!
- ✓ Quarterly reports must be filed even if no wages were paid for that quarter.
- ✓ **UI EASY** provides a convenient, efficient, accurate way for employers to file their quarterly reports online in a secure environment. Please see our website at jobsnd.com.

EMPLOYEE OR INDEPENDENT CONTRACTOR?

North Dakota Unemployment Compensation Law is very specific on whether a worker is an employee or an independent contractor. The law states that any service performed for another for wages or under any contract of hire is employment, unless it is shown that the individual performing the service is an independent contractor as determined by the "Common Law Test".

Under the Common Law Test, an employer-employee relationship exists when the person for whom the services are performed has the right to control and direct the individual who performs the services as to the result to be accomplished by the work, and the details and methods used in achieving the end result. Twenty factors have been identified to help in determining if sufficient control is present to establish an employer-employee relationship. The degree of importance of each factor varies depending upon the occupation and the scope of work being performed.

If you currently pay someone for performing a service, examine the working relationship to be certain that the workers are classified correctly. Incorrect classification of a worker can also affect your Workforce Safety & Insurance and federal unemployment taxes. Unemployment Insurance Field Representatives are available to assist you with this examination and may be contacted by using the information located on page 2 of this publication.

Unemployment Insurance (UI)

Contact Information

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November 2, 2008

COMMON REPORTING ERRORS

Improper reporting of wages contributes to incorrect payment of benefits as well as the overpayment or underpayment of UI taxes. It can also result in incorrect tax rates being assigned to employers. One of the most common errors is the reporting of wages in the wrong quarter. Wages should be reported in the quarter in which they were paid, NOT the quarter in which they were earned.

EMPLOYER NOTICE OF CLAIM

When an employee is separated from employment from your company and files a claim for Unemployment Insurance (UI), you will receive a Notice of Claim. The Notice of Claim states whether the claimant has indicated that he/she will be returning to employment with you. It also states whether the claimant will be required to search for work during the layoff period. If you disagree that the employee will be returning to work with your company, please indicate this and return the Notice of Claim to the address provided.

If the claimant has indicated that the reason for the separation was due to a discharge or a voluntary quit, there will be questions concerning the reason for separation on the reverse side of the notice. Your responses to these questions are critical, not only in determining eligibility for benefits but also in determining

charges to your UI ax account. A timely, thorough response protects your appeal rights and speeds the process of adjudication of eligibility. Failure to respond to the Notice of Claim may result in charges to your account or a delay in payment of benefit payments.

For help with questions concerning the Notice of Claim, call the Unemployment Insurance Claims Center at 701-328-2866. Claims representatives are available to assist you Monday through Friday from 8:00 a.m. to 5:00 p.m. CST.



EXTENDED BENEFITS



On June 30, 2008, President Bush signed into law House Resolution 2642 providing for emergency Extended Unemployment Insurance benefits to claimants who filed a claim for unemployment insurance after May 2007 and who remain unemployed after exhausting regular state benefits. You will receive a Notice of Claim for claimants who qualify for this program. The Notice of Claim states that you will not be charged for these benefits as the costs of the Extended Benefit Program are paid by the federal government.

REMINDER

Employer's Contribution and Wage Reports for the quarter ending September 30, 2008, are due and must be submitted by October 31, 2008.



Important
DATE!

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. Notice: Wage and other confidential information collected from employers as part of the Unemployment Insurance process may be requested and utilized for other governmental purposes, including, but not limited to, verification of eligibility under other government programs as required by law.

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