

Welcome

Unemployment Compensation Seminar for Employers

Alabama Department of Industrial Relations



MANAGING YOUR UNEMPLOYMENT INSURANCE (U. I.)



Website: <http://dir.alabama.gov/>



OUTLINE

- ▶ **Brief History of U.I.**
- ▶ **Today's U.I. Purpose & Goals**
- ▶ **Understanding the Law – Benefits & Contributions**
- ▶ **7 Helpful Tips to Manage Your Contribution Rate**





**HAPPY 74th BIRTHDAY
UI!**

TODAY'S U. I. & GOALS

- ▶ PRIMARY OBJECTIVE
- ▶ FEDERAL / STATE PARTNERSHIP
- ▶ CONTRIBUTIONS PAID TO STATE – FUND BENEFITS

GOALS

- ▶ PAY BENEFITS TIMELY WHEN DUE
- ▶ COLLECT MINIMUM CONTRIBUTIONS



UNDERSTANDING UI LAW BENEFITS

- Minimum benefit payment is \$45 per week
- Maximum benefit payment is \$265 per week
- Benefit payments can be for up to a Maximum 26 weeks
- The Maximum Benefit charge for employers is \$6,890.



UNDERSTANDING UI LAW

Eligibility for Benefits

- ▶ Employed by a covered employer
- ▶ Earned wages in at least 2 quarters of **base period** (first 4 of the last 5 completed calendar quarters)
- ▶ Avg. wages for 2 highest quarters must equal at least \$1,157.01
- ▶ Registered with Employment Service (ES)
- ▶ Physically & mentally able to work
- ▶ Making an effort to secure work



UNDERSTANDING UI LAW

EXPERIENCE RATING

- ▶ **Fair allocation of cost**
- ▶ **Promotes employment stability**
- ▶ **Encourages employer participation**



UNDERSTANDING UI LAW

Experience Rating

NEW EMPLOYER RATE

- ▶ Rate = 2.70% on first \$8,000
- ▶ Est. length of time it takes before rate based on experience = from 8 to 11 calendar qtrs



UNDERSTANDING UI LAW

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Contribution Rate For Experience - Rated Employers



UNDERSTANDING UI LAW

NEW UI LAW

SUTA DUMPING PREVENTION ACT



UNDERSTANDING UI LAW

U. I. CONTRIBUTIONS

- ▶ **Rate Schedule declared by Dec. 1 of each year (A, B, C & D)**
- ▶ **Alabama U I – from 0.20% to 6.80% of 1st \$8,000**
- ▶ **\$16.00 vs. \$544.00 per EE per calendar year**



Above figures without shared cost

UNDERSTANDING UI LAW

Rate Computation

BENEFIT RATIO:

- ▶ 3 previous fiscal years* of **benefit charges**
3 previous fiscal years of timely paid on payroll
- ▶ **Benefit Ratio** factor applied to Rate Table using the appropriate schedule = Employer Rate

*Fiscal year – period beginning July 1 and ending following June 30



UNDERSTANDING UI LAW

Shared Costs

- ▶ “Costs” which cannot be effectively charged to a specific employer
- ▶ 2009 shared cost applies to all experience-rated employers
- ▶ 2009 shared cost = .30%
2010 shared cost = 1.50%



UNDERSTANDING UI LAW

Current Cost Per Employee for 2009 & The Shift to Schedule D

<u>YEAR</u>	<u>SCHEDULE</u>	<u>MIN.</u>	<u>MAX.</u>	<u>RANGE OF COST PER EE *</u>
2009	C	.80%	6.40%	\$ 64.00 - \$512.00
2010	D	2.15%	8.30%	\$172.00 - \$664.00

*Range of cost per employee figured on the first \$8,000 of wages and shared cost of 1.50



Bulk Filers may now remit contributions by submitting one check (Super Check) and a payment allocation file.

For more information, please [click here](#) for file format specifications on Bulk Filing, or [click here](#) for file format specifications on the Super Check.

Approved for > **Employer Account Status**
Register for a state unemployment insurance (SUI) account number or change your UC mailing address and/or telephone number.

Approved for > **Quarterly Reporting / EFT**
File your quarterly unemployment compensation report. Use this link for hand-key, upload and EFT applications.

Approved for > **Tax Rate / Advanced Payment Rate Notice**
Coming Soon The 2010 Unemployment Tax Rate Notice will soon be available for download with an anticipated availability date of December 3, 2009, and no later than January 31, 2010; you may view/download your 2009 Unemployment Tax Rate Notice now.

Governmental employers may download their Advance Payment Rate Notice for Fiscal Year beginning October 1, 2010, no later than April 1, 2010; you may view/download your Advance Payment Rate Notice for Fiscal Year beginning October 1, 2009, on October 1, 2009.

Approved for > **UC Electronic Correspondence**
Respond to requests for information on unemployment compensation claims. [Ben241 instructions \(pdf\)](#)
The UC10C tax form is also available here.



7 HELPFUL TIPS TO MANAGE UI CONTRIBUTION RATE

1. Keep track of your former employees
2. Maintain good employee records
3. Help combat fraud: 1-800-392-8019
4. New Hire Program
Internet Access to
report new-hires



Alabama Department of Industrial Relations - Windows Internet Explorer

http://dir.alabama.gov/

Alabama Department of Industrial Relations

Alabama Department of
INDUSTRIAL RELATIONS

DIRECTOR THOMAS SURTEES

Tuesday, July 07, 2009

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DIR PRESS RELEASES

Unemployment Compensation Maximum Weekly Benefit Amount Rates - 7/2/2009 (more)

Mobile Resident Arrested and Convicted of Unemployment Compensation Fraud - 6/30/2009 (more)

Birmingham Resident Arrested and Convicted of Unemployment Compensation Fraud - 6/30/2009 (more)

All Press Releases

NEWS YOU CAN USE

Things you might want to know - Articles for Business - updated monthly

Alabama Unemployment Rate Information

IMPORTANT NEWS ABOUT THE EMERGENCY UNEMPLOYMENT COMPENSATION EXTENSION

1099 G Tax Document Available Here

Unemployed Workers
File new claims, Weekly certifications, Emergency Unemployment Compensation claims (EUC08) or obtain information

Welcome
From the Director

Citizen
Employees and Job Seekers start here!

Help!
Common Questions

Downloads
Guides, Forms & Posters

Business
For Employer Services start here!

eGov
For Internet Applications start here!

Department Quick Links

HOT LINKS TO:

- Work Opportunity Tax Credit (WOTC)
- Alabama Business Resource
- Veteran Services™ "Operation Grateful Heart"
- Alabama Job Fairs
- PEO Registration
- DIR Phone Directory
- Search for new Job
- UC Phone Numbers
- Report Fraud
- New Hire Program
- UC Partials Program
- Foreign Labor Certification
- Career Centers

Mission Statement

The mission of the Alabama Department of Industrial Relations is to effectively use tax dollars to

start

Internet 100%

5:07 PM

www.dir.alabama.gov





Alabama Department of INDUSTRIAL RELATIONS



DIRECTOR THOMAS SURTEE

Monday, October 05, 2009

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PRESS RELEASES

Alabama Charged with Employment Compensation Fraud - 9/9/2009 (more)

Alabama Unemployment Rate Rises 0.4% - 9/18/2009 (more)

Alabama Charged with Employment Compensation Fraud - 1/2009 (more)

Press Releases

NEWS YOU CAN USE

Articles you might want to know - Articles for Business - updated monthly

Alabama DIR Stimulus/Recovery Act

Alabama Unemployment Rate Information

IMPORTANT NEWS ABOUT THE NEW ALABAMA EXTENDED BENEFITS LEGISLATION

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Alabama New-Hire Homepage

- New-Hire Quick Facts** - General information to help you better understand the Alabama New-Hire program.
- Reporting Requirements** - Information to employers on reporting requirements, including time frames and documentation.
- New Hire Electronic Filing** - Report New-Hires electronically through our New-Hire reporting program or you can upload your ASCII text file (that conforms to the New-Hire file format) directly from your web browser.
- Registration** - How to register with Alabama New-Hire.
- Frequently Asked Questions** - Your guide to frequently asked questions regarding the New-Hire program.
- Social Security Number Verification** - The Social Security Administration now has an online option for verifying Social Security Numbers. Once registered with this SSA online service you will be able to receive immediate verification of a SSN. Using this tool at the time-of-hire, as part of the intake process will ensure that correct wage information is provided. Register and access this tool at: <http://ssa.gov/employer/ssnv.htm>
- Contact Information** - Information on how to contact Alabama New-Hire, including address, phone/FAX numbers and e-mail address.

New-Hire Quick Facts

HELPFUL TIPS CONTINUED

5. Respond Timely to UI Forms

Examples:

Form Ben-241	(6 days to respond)
Form Ben-8	(15 days to respond)
Form Ben-8A	(15 days to respond)
Form UC-212	(30 days to respond)
Form UC-216	(30 days to respond)



HELPFUL TIPS CONTINUED

Be Prompt Filing Contribution & Wage Reports via electronic filing

- a. **Internet Access to File Report**
Electronic filing is mandatory
- b. **Interactive Voice Response (IVR) System**
1-877-581-5880
- c. **Paid tax preparers are required to file electronically and should have a Power of Attorney on file**



Helpful Tips Continued

7. Notify Status Unit of Change in Mailing Address:

Via e-Gov/Employer Account Status you can Change an Address and Register a New Employer

**Status Section contact information:
Ms Marcia Pemberton, Supervisor
Telephone – 334-242-8830
Fax – 334-242-2067**





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Monday, October 05, 2009

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CONCLUSION

As always in life, some things are out of our control. However, your level of participation in the U.I. Program is directly reflected in your rate.



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