

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





TODAY'S U.I. & GOALS

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

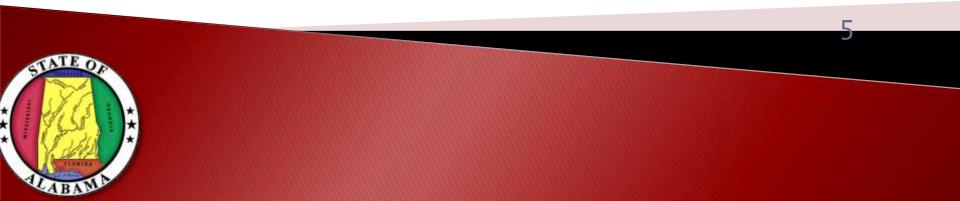
GOALS

- 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 www.dir.alabama.gov

Contribution Rate For Experience - Rated Employers



NEW UI LAW

SUTA DUMPING PREVENTION ACT



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

Rate Computation BENEFIT RATIO:

- <u>3 previous fiscal years</u>* 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%

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

YEAR SCI	HEDULE	<u>MIN.</u>	MAX.	RANGE OF COST PER EE *
2009	С	.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

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	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/downlaod 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.	

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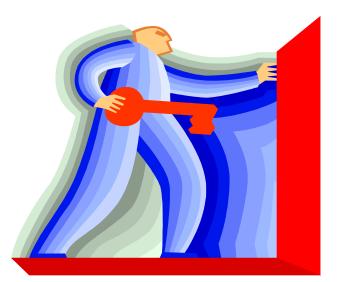
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7 HELPFUL TIPS TO MANAGE UI CONTRIBUTION RATE

- 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







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bamians Charged with employment Compensation Fraud - 1/2009 (more)	Welcome From the Director	Downloads Guides, Forms & Posters	Veteran Services/"Operation Grateful Heart"
Press Releases WS YOU CAN USE	Citizen Employees and Job Seekers start here!	Business For Employer Services start here!	Alabama Job Fairs PEO Registration DIR Phone Directory
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abama Unemployment Rate ormation	Mission Stat	Applications start here!	New-Hire Program
	The mission of the Alabama Department of Industr provide state and federal mandated workforce prote	ial Relations is to effectively use tax dollars to ction programs promoting a positive economic	Foreign Labor Certification
	environment for Alabama employers and workers and		Career Centers

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labama New-Hire Homepage

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

lew-Hire Quick Facts

Internet

HELPFUL TIPS CONTINUED

5. Respond Timely to UI Forms

Examples:

Form Ben-241 Form Ben-8 Form Ben-8A Form UC-212 Form UC-216 (6 days to respond)
(15 days to respond)
(15 days to respond)
(30 days to respond)
(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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bamas Unemployment Rate Rises (0,4% - 9/18/2009 (more)	Welcome Downloads		(WOTC) Alabama Business I	Resource
bamians Charged with employment Compensation Fraud - 1/2009 (more)	From the Director Guides, Forms & Poste	ers	Veteran Services/"(Grateful Heart"	Operation
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	environment for Alabama employers and workers and to produce and disseminate info		Career Centers	a 100%
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- Helpful Tips to Manage Your Rate



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.

