



## Alabama Department of Industrial Relations

### News Release

For Immediate Release: August 8, 2011

### Alabama Employers to Receive Tax Assessment to Avoid Loss of FUTA Credit

MONTGOMERY- Alabama Department of Industrial Relations Director Tom Surtees announced today that a letter is being sent to employers statewide informing them of a 0.07% unemployment compensation tax assessment of the employer's 2010 taxable wages to repay interest owed to the U.S. Treasury. The letters will be mailed on August 10, 2011 with the assessment payment due September 9, 2011. The state has been borrowing money to pay unemployment benefits for almost two years and the interest is now due on September 30, 2011. State law requires that interest be repaid by assessment of employers.

"Alabama is one of over thirty states that have been borrowing from the U.S. Treasury. Businesses in several of those states have faced a 0.3% loss of their Federal Unemployment Tax Act (FUTA) credit for interest not paid on time," said Surtees. "We want to prevent this loss of credit for our Alabama employers and this assessment is the means to go about doing that."

The assessment totals approximately \$5.60 for each employee. A loss of FUTA credit would cost approximately \$21.00 per employee.

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*Members of the media needing more information should contact Public Information Officer Jenna Murphy at (334) 353-1548.*