

December 2013

## 2014 Tax Rate Notices Mailed

Job Service North Dakota mailed 2014 unemployment insurance tax rate notices to North Dakota employers on December 6.

The 2014 tax rate schedule will range from 0.16 percent to 9.76 percent for experience-rated employers compared to the 2013 schedule, which ranges from 0.17 percent to 9.78 percent.

- The new **non-construction** industry employer rate is 1.22%.
- The new **construction** industry employer rate is 9.76%.

More than 65 percent of the state's employers will receive the lowest rate of 0.16 percent.

### Taxable Wage Base

North Dakota's strong economy has led to an increase in average annual wages, which in turn has raised the taxable wage base for 2014 to \$33,600. North Dakota law sets the unemployment insurance taxable wage base at 70 percent of the statewide average wage.

Employers who have not received their tax rate notices by December 14th should contact the Job Service tax department at 701-328-2814.

## Protect Your Tax Dollars: Report SUTA Dumping

State Unemployment Tax Act (SUTA) dumping is a tax evasion practice involving the manipulation of an employer's unemployment insurance (UI) tax rate to achieve a lower rate, and thereby pay less UI taxes. Typically, SUTA dumping occurs when a business transfers payroll out of an existing company or organization to a new or different organization solely or primarily to reduce UI taxes. Such abusive schemes force employers who pay their taxes correctly to pick up the tab for those who do not.

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

SUTA dumping is illegal and 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.

Job Service North Dakota actively pursues and will prosecute employers who participate in SUTA dumping and other tax manipulation schemes.

**Protect your tax dollars. Report employers or tax advisors involved in or who recommend SUTA dumping.**

■ Call: 701-328-2814     ■ Fax: 701-328-1882     ■ Email: jsuits@nd.gov.

## Need Help?

Talk to your local [UI Field Representative](#), or contact the UI office by mail, phone, or email:

UI Tax and Field Services  
1000 E Divide Avenue  
PO Box 5507  
Bismarck, ND 58506-5507

Phone: 701-328-2814  
TTY: 800-366-6888  
Fax: 701-328-1882  
Website: [www.jobsnd.com](http://www.jobsnd.com)  
E-mail: [jsuits@nd.gov](mailto:jsuits@nd.gov)  
Fraud Tip Hotline: 701-328-1680



Employer's Contribution and Wage Reports for the quarter ending December 31, 2013, are due and must be submitted by January 31, 2014.

Reports and payments not filed by the due date are subject to penalty and interest charges.

**UI EASY** is unavailable between 10 p.m. and midnight Monday through Friday.

# New Legislation Impacts Employer Charging

North Dakota Century Code § 52-04-07(3) subsection 2 recently changed as a result of an amendment to the Internal Revenue Code, Section 3303.

Beginning October 21, 2013, an employer's account may be charged when unemployment insurance benefits paid to a claimant result in an overpayment. The law states that a relief of charging will not be made if:

"An overpayment of unemployment insurance compensation benefits results from:

- (1) The employer, or the agent of the employer, failing to respond timely or adequately to the request from the bureau for information relating to a claim for unemployment compensation; and
- (2) The employer, or agent of the employer, has established a demonstrated pattern of failing to respond to such requests."

If the requirements of the law are met, an employer will receive a Prohibition on Relief of Charging letter. The letter will include details concerning why the employer's account will be charged.

To prevent being charged for an overpayment, respond to all requests for separation information and provide answers to all questions being asked. If the question does not apply to the claimant's separation, put a NA in the answer field.

## Voluntary Contributions May Lower Your Tax Rate

Your business may qualify to make additional payments, known as "voluntary contributions", to lower your unemployment insurance tax rate.

Your tax rate notice explains the voluntary contribution process. Voluntary contributions only affect the current year's tax rate and must be made by April 30 of the tax year (2014). Log in to UI EASY to calculate potential payments and review the value of making a voluntary contribution or contact your unemployment insurance field representative for assistance.

## Exemption for Certain Corporate Officers/ Limited Liability Company Managers

Wages paid to corporate officers and many Limited Liability Company (LLC) managers are taxable for North Dakota unemployment insurance purposes.

Officers and managers with a 25 percent or more ownership interest in the corporation or LLC may be exempted from coverage at the request of the corporation or LLC and with the concurrence of the officer or manager. Simply submit form SFN 18411 to apply for an exemption. The form is available in the *Documents* section on [jobsnd.com](http://jobsnd.com).

By North Dakota law, your application must be made:

- Within 60 days of formation of the corporation or LLC, or
- By January 31 of the year in which the exemption is to become effective.

After receiving your application, Job Service North Dakota will notify you in writing of acceptance or denial of your application.

Go to [jobsnd.com](http://jobsnd.com) for an application form or for additional information.



### UI FIELD REPRESENTATIVES

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