JOB SERVICE North Dakota
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INFO LINK

Your link to information regarding North Dakota Unemployment Insurance

March 2012

Qualifying employers may decrease their assigned tax rate for 2012

Eligible employers may make additional payments to their Unemployment Insurance account to improve their contributions-to-benefits ratio, and thereby decrease their assigned tax rate.

The "Voluntary Contribution" process is explained on your annual tax rate notice. These payments will only affect the current year's tax rate and must be made by **April 30** of the tax year (2012).

- Log in to ***UI EASY,*** click on the "Rate Projections" link and follow the simple steps to calculate potential payments and review the value of making a voluntary contribution.
- You may also contact Job Service North Dakota using the contact info in this newsletter for further assistance.

Begin 2012 by going online.

Use the web to file. It is... UI EASY jobsnd.com

Are you still filling out those paper reports every quarter? Have you thought about filing online but haven't quite decided?

Well, here are what a few users have to say about ***UI EASY :***

- 1/26/2012 1:58:07PM

  "Love the on-line filing!!"
- 1/28/2012 2:38:52PM

  "UIEASY is very user friendly."
- 1/31/2012 3:28:39PM

  "This is by far the easiest experience I have had with any state or federal government on-line site. Thank you."

UI EASY puts a suite of quick, easy, and convenient online services at your fingertips - when and where you need them. This application allows you to file and amend your quarterly contribution and wage reports, make electronic payments, and/or view and manage your account information on line.

Get started now!

Join over 6,300 other employers already using the system!

Go to www.jobsnd.com

Click on the ***UI EASY*** logo

HINTS FOR SMOOTHER QUARTERLY REPORTING!!

DO: …Please use the return envelope provided with your quarterly report to help ensure timeliness and avoid penalties and/or interest charges or use our address in this newsletter.

DON'T: ...don't use staples.

Unemployment Insurance (UI) Contact Information

UI Tax and Field Services
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Employer's Contribution and Wage Reports for the quarter ending March 31, 2012, are due and must be submitted by April 30, 2012. Reports and payments not filed by the due date are subject to penalty and interest charges.

N E E D HELP ?

If you have questions or need assistance with your Unemployment Insurance account, contact your local UI Field Representative or contact UI Tax & Field Services at 701-328-2814 or email us at jsuits@nd.gov

PAYING REASONABLE COMPENSATION TO THE S CORPORATION SHAREHOLDER—EMPLOYEE

Job Service North Dakota generally applies the same rules as the Internal Revenue Service (IRS) in defining "remuneration for service", which is part of the definition of "wages" to be reported on quarterly reports for unemployment insurance (UI) purposes. Following is a portion of an IRS reminder to taxpayers – it also applies to your North Dakota UI taxes:

An S Corporation must pay reasonable compensation (subject to employment taxes) to shareholder -employee in return for the services that the employee provides to the corporation, before a non-wage distribution may be made to that shareholder-employee. This issue has been identified as an area of noncompliance and will receive greater scrutiny in the foreseeable future.

If a shareholder-employee of an S corporation provides services to that S corporation, then reasonable compensation (subject to employment taxes) generally needs to be paid in return before any non-wage distributions may be made to that shareholder-employee.

Provided an S corporation shareholder is an employee and has received an actual distribution, the only remaining area of question is what amount is considered "reasonable" for that particular shareholder-employee. Whether the amount paid for the services provided constitute "reasonable compensation" is based upon all the relevant facts and circumstances.

North Dakota Statute provides an option for exemption of remuneration to corporate officers, or LLC managers owning 25% or more of the corporation. The application to exempt corporate officers must be filed within 60 days of formation of the corporation or LLC, or by January 31 of the year in which the desired exemption is to become effective.

If you have questions you may contact our UI Field Representatives listed in this newsletter.

CONSTRUCTION PROJECTS IN EXCESS OF 50 MILLION

Any project in this state with an estimated construction cost of at least fifty million dollars which is planned to be completed or discontinued within a period of seven years is subject to a large project bonding requirement under North Dakota Century Code.

The Construction Project Risk Protection Provision requires the general or prime contractor, or the owner in those cases where there is no general or prime contractor, of a major construction project to post a surety bond or irrevocable letter of credit with Job Service North Dakota prior to commencement of work on the project.

This bonding requirement is in addition to required payment of all unemployment contributions / taxes due as a result of employment on the project.

Each contractor on the covered project must maintain separate payroll records and must submit separate quarterly reports for all employment and all wages paid for work on the project.

If you have questions on any requirements of the Construction Project Risk Protection Provision of North Dakota Century Code, please contact Job Service North Dakota.

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