

MARCH 2016

Deadline to Make a Voluntary Contribution is Almost Here

If you're planning to make a voluntary contribution to buy down the 2016 tax rate it must be postmarked **NO LATER** than Apr. 30, 2016.

The payment can be made via paper check or by logging in to UI EASY and selecting the Rate Projections link.

The rate will be effective as of Jan. 1, 2016.

Unemployment Insurance Financing Options

Job Service provides three financing methods for unemployment insurance (UI).

- The first and most common financing method is the contributing or tax-rated method. Under this method, employers are assigned an annual rate and are required to make quarterly contributions to the unemployment trust fund. If it is determined that an employee left employment without good cause, was discharged for misconduct, or had UI benefits that were later determined invalid, the charges would not be included in the rate calculations.

The other two financing options are available for government agencies, non-profits with a 501(c)(3) exemption, an Indian tribe, or an entity wholly owned by an Indian tribe. This option must be requested on the report to determine Liability form

- The direct reimbursement method, like tax-rated, still requires quarterly reporting, however no quarterly tax will be due. Employers who have elected the reimbursement payment option may not be relieved of benefit charges for any reason. The employer's account will always be charged for any benefit Job Service pays to that employer's former workers, if those employees earned wages from the employer during the base period.
- The advanced reimbursement method requires the employer to pay a fixed percentage of its total payroll each quarter to create a reserve from which the quarterly billings are paid. Initially the employer pays each quarter at one percent of their total payroll. Each year thereafter, a rate is calculated to maintain a reserve balance of one percent of the previous years total payroll. Advanced reimbursable accounts do not calculate excess wages when determining contribution due for the quarter.

More Information is available on the financing methods at jobsnd.com >

Need Help?

Talk to your local UI Field Representative, or contact the Unemployment Insurance office.

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

Fraud Tip Hotline: 701-328-1680



Employer's contribution and wage reports for the quarter ending Mar. 31, 2016 are due and must be submitted by Apr. 30, 2016.

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.

Excess Wages



Excess wages are the wages paid to an employee in a calendar quarter that exceed the years taxable wage base. The 2016 taxable wage base is \$37,200 per employee. This number is recalculated each year and is 70 percent of the states average taxable payroll. Once an employee has met the taxable wage base, their wages are considered excess and are no longer taxed for unemployment insurance; however, they still must be reported to Job Service. Examples of excess wage calculations are below:

If an employee makes \$10,000 a quarter with a taxable wage base of \$37,200, there will be excess wages of \$2,800 in the 4th quarter.

1 st quarter		2 nd quarter		3 rd quarter		4 th quarter	
Total wages	Excess Wages						
\$10,000	0	\$10,000	0	\$10,000	0	\$10,000	\$2,800

In an employee makes \$20,000 a quarter with a taxable wage base of \$37,200, there will be excess wages of \$2,800 in the 2nd quarter, and excess wages of \$20,000 in the 3rd and 4th quarters.

1 st quarter		2 nd quarter		3 rd quarter		4 th quarter	
Total wages	Excess Wages						
\$20,000	0	\$20,000	\$2,800	\$20,000	\$20,000	\$20,000	\$20,000

Only report excess wages for the quarter. Excess wages can equal total wages but cannot exceed them.

Excess wages are calculated automatically on UI EASY by matching the social security numbers on previously filed report(s). This includes accounts that are full successors to an existing UI account. If the calculation is incorrect, it is most likely the result of an incorrect social security number on a previously filed report.

If an employee has wages taxed in multiple states, those wages count towards the taxable wage base in North Dakota. For businesses with a master and unit account, the wages taxed on one account are calculated towards the taxable wage base for the other. Partial and liability

REMEMBER...

...If you receive a Verification of Claimant Wages request, please complete & return it to Job Service as soon as possible. By not responding, it could potentially affect your future tax rate.”

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UI FIELD REPRESENTATIVES

Bismarck

Micheal Skachenko
701-328-5017
mskachenko@nd.gov

Devils Lake

Kristie Tollefson
701-662-9334
krtollefson@nd.gov

Dickinson

Edna Commey
701-227-3105
ecommey@nd.gov

Fargo

Dale Erickson
701-239-7309
dverickson@nd.gov

Grand Forks

Kelly Bossert
701-795-3732
kbossert@nd.gov

Jamestown

Julius Gange
701-253-6215
jgange@nd.gov

Minot

Mary Schaefer
701-857-7554
mschaefe@nd.gov