

## Tip to Achieve a Low Unemployment Tax Rate

### Respond Timely and as Completely as Possible to Unemployment Notice of Claim Letters

Upon separation from employment, a claimant files a claim for unemployment benefits. The claimant is required to provide a statement as to why they are no longer working.

Job Service North Dakota will then send you a Notice of Claim. **You have 10 days to respond to the Notice of Claim.** If additional information is needed, Job Service will conduct further fact-finding. Response deadlines for further fact-finding will be noted on the individual request.

Job Service will make an eligibility determination denying or allowing unemployment benefits based upon information you and the claimant provide and applicable law.

**If you fail to respond to the request for separation information, Job Service will base the decision solely on the information provided by the claimant and the decision on the separation issue will become final. If benefits are allowed, your account will be charged.**

Therefore, it is in your best interest to provide as complete an answer as possible to each question asked regarding the claimant's separation from employment.

### How this Impacts the Bottom Line

Your company's usage of the unemployment system directly impacts your tax rate.

You are assigned a rate from the positive rate schedule when your total contributions paid exceed the total unemployment benefits charged to your account.

You are assigned a rate from the negative rate schedule when benefits charged exceed taxes paid. **Negative-rated employers will pay at a substantially higher rate than positive-rated employers.**

For example, in calendar year 2013 using the actual taxable wage base of \$31,800, an employer with the lowest positive rate of 0.17% would pay a total of \$54.06 for each employee. An employer with the lowest negative rate of 6.18%, would pay a total of \$1,965.24 per employee, **an additional \$1,911.18 per employee** compared to the lowest positive-rated employer.

## 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)  
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Employer's Contribution and Wage Reports for the quarter ending Sept. 30, 2013, are due and must be submitted by Oct. 31, 2013. 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.

# 2014 Tax Rates

Job Service North Dakota sets Unemployment Insurance (UI) tax rates annually and is in the process of setting tax rates for 2014. Look for your tax rate notice to arrive in early December.

North Dakota Century Code (NDCC) outlines the UI tax rate setting process and takes into consideration items such as:

- The current UI trust fund balance
- Historical UI benefits data
- UI benefit payment projections for the coming calendar year
- Statewide total and taxable wages

Job Service sets tax rates at a level estimated to be sufficient to cover the projected UI benefit payments while maintaining a target balance in the UI trust fund. The target balance is also based on NDCC and uses a model that takes historical data and projections into consideration.

If the trust fund is over or under the targeted amount, NDCC provides a five-year window in which rates can be adjusted to meet the target. This ability to adjust provides for more stabilized tax rates and helps avoid large tax rate increases and decreases.

**IMPORTANT: Employers who have not filed the required contribution reports at rate setting time are assigned the minimum negative (currently 6.18%) or maximum negative (currently 9.78%) rate depending on the employer type and/or experience.**

## Misclassified Workers

The IRS is on the lookout for firms that misclassify workers as independent contractors.

Using an electronic matching system, the IRS identifies companies that issue 1099s with payments of at least \$25,000 to five or more workers who don't have any other source of income. This will trigger audits to determine if the contractors should be treated as employees.



## Forms Available on jobsnd.com



You can find the most current version of [unemployment insurance forms](#) on the Job Service website, [jobsnd.com](#).

Simply go to [jobsnd.com](#), click the *Unemployment for Business* link, then choose *Forms* to see a list of employer tax forms available.

Many forms can be completed online prior to printing.



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