

Control Your UI Tax Rate

The Effects of Delinquent Quarterly Reports on Your Next Calendar Year's UI Tax Rate

Your company's unemployment insurance history directly affects the unemployment insurance tax rate you pay. This includes such things as your company's contribution payment history, benefit charges, and whether or not quarterly reports are filed.

The rate calculation process begins in late November of each year. If your company has any missing reports at the time UI rates are calculated, depending on the employer's history, and in accordance with North Dakota Unemployment Compensation Law, your rate for the upcoming year will be either:

- The negative employer minimum rate (currently 6.16%), or
- The negative maximum rate (currently 9.76%).

Being assigned either of these tax rates for the next calendar year can have a serious financial impact on your business. For example:

An employer assigned the lowest UI tax rate of 0.16 percent would pay a maximum unemployment tax of \$53.76 per person while the employer assigned the minimum delinquent rate of 6.16 percent would pay up to **\$2,069.76** for that same worker.

To further illustrate, an employer assigned the minimum tax rate of 0.16% reporting \$100,000 in taxable wages would pay only \$160.00 in unemployment tax for the year. That same employer, assigned the minimum negative tax rate of 6.16% because of delinquent reports, **would pay \$6,160.00 in unemployment tax—an additional \$6,000.00.**

You can help prevent increases in your employer tax rate and avoid penalties:

- File any reports that are already past due.
- File timely reports even if full payment cannot be made on time.
- File quarterly reports even if no wages were paid for that quarter.
- File online through *UI EASY*. It's convenient, accurate and secure.
- Sign up for email and text reminders on *UI EASY* to avoid missing deadlines.

Go to jobsnd.com/unemployment-business for more information or call us at (701)328-2814.

Need Help?

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

UI Tax and Field Services
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Employer's Contribution and Wage Reports for the quarter ending Sept. 30, 2014, are due and must be submitted by Oct. 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.

2015 Tax Rates Being Set

Job Service North Dakota sets Unemployment Insurance (UI) tax rates annually and is in the process of setting tax rates for 2015. 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 6.16%) or maximum negative (currently 9.76%) rate depending on the employer type and/or experience.

Other Ways to Help Manage Unemployment Insurance Costs

Unemployment Insurance benefits paid to former employees is one of the factors in the calculation of an employer's Unemployment Insurance tax rate, and Job Service North Dakota does want your business to do well. Consider these points:

- Hire the right person for the job,
- Have sound, clearly defined employee policies and procedures in place, and consistently apply them,
- Maintain good documentation,
- Train supervisory and management staff in:
 - how benefit amounts and tax rates are determined and,
 - appropriate responses at various stages of claims filing and the supervisor's role in that process.

Job Service North Dakota has additional information on Cost Containment on our website at jobsnd.com. Contact your Customer Service Consultant, or call 701-328-2814.



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