

Successor Accounts

A "successor" is an employer that acquires all or part of a business (workforce, assets, trade, products, or services) that was already liable for North Dakota unemployment taxes. Generally a successor becomes liable for unemployment on the date of acquisition regardless of the number of employees and wages paid in North Dakota. The previous business or entity will be referred to as the predecessor.

MANDATORY SUCCESSOR

Job Service must transfer the experience history and rate to the successor when an employer acquires all or part of the business that has common ownership, control, or management and continues essentially the same business activity. This can occur when a business continues but has changed their federal employer identification number (FEIN), if a business incorporates with common ownership, or if a corporation is acquired by another business with the same corporate officers or common ownership.

NON-MANDATORY SUCCESSOR

The transfer of the predecessor's experience history and rate is not mandatory when an employer acquires an existing business and does not share ownership control or management. The successor may apply to receive the predecessor's rate and history but, it must be approved by the predecessor before the transfer occurs. The successor will be assigned the new employer tax rate if the predecessor objects to the transfer.

PARTIAL SUCCESSOR

A partial succession is when an employer obtains or acquires part of a business and the predecessor remains active. If there is no common ownership between the two businesses, a letter is sent to the predecessor to determine what percentage of the account and history should be transferred. The letter must be signed by the previous owner or the individual who has control of management of the predecessor's account. Permission to transfer a portion of the rate and history is not required for a mandatory partial succession.

SUCCESSOR TO LIABILITY ONLY

If there is no common ownership, control or management between the business and if the rate of the predecessor is not requested or the transfer is not approved, the business will be treated as a successor to liability only. This means the successor will generally be liable for unemployment on the date of acquisition, but will have the new employer rate.

Delinquent Rate

Please ensure that Job Service receives all reports by October 31 to be certain a penalty rate is not applied to the business for the coming year. This includes zero wage reports for quarters in which a business is still active but no wages were paid in North Dakota.

Need Help?

Talk to your local field representative or contact a local 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 September 30, 2016 must be submitted by October 31, 2016.

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

UI EASY is unavailable between 10:00 p.m. and midnight Monday through Friday.

Multi Rate Risk Adjustment



According to NDCC 52-04-06(6), if an employer has a quarterly taxable payroll in excess of \$50,000 and at least three times its established average annual payroll or the average annual payroll is zero, and the cumulative lifetime reserve balance is positive, then the tax rate for that employer is 90 percent of the positive employer maximum rate in effect that year or a rate of 1 percent, whichever is greater, beginning the first day of the calendar quarter in which it occurred and for the remainder of the calendar year. The tax rate for an employer that has a negative cumulative lifetime reserve balance will be the negative employer maximum rate of contribution in effect that year; beginning the first day of the calendar quarter in which it occurred and for the remainder of the calendar year.

The notification of rate change letter will be mailed to the employers address of record. No interest will be charged if the difference in balance is paid within 20 days of the multi-rate letter. Additionally, if you disagree with the determination an appeal may be sent into Job Service within 15 days of the date on the notice.

Penalties and Interest

A late filing penalty will be applied when an Employer's Contribution and Wage report is post marked after the due date.

Per NDCC 52-04-11 (2), for the first late report in the year a penalty of 5 percent of the tax due or \$25, whichever is greater, is applied to the account. For any subsequent late reports the penalty will be 5 percent of the tax due but no less than \$100. The maximum penalty may not exceed \$500 for a report.

If payment is received late, interest of 1.5 percent per month is applied to the remaining contribution until the full amount is paid. Interest does not compound.

Keep watch for the Verification of Claimant Wages

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

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Job Service North Dakota is an equal opportunity employer/program provider. Auxiliary aids and services are available upon request to individuals with disabilities.

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