Things we need to know, and why

This is the first of periodic articles about some of the reports that employers need to file regularly, why we need the information, and how providing the right information helps you.

Quarterly tax and wage reports
We need a tax and wage report from you every quarter, even if you don’t have reportable wages. Also be sure to submit a report even if you can’t pay your taxes at the time of filing.

Employee information
It’s very important to make sure you include the right number of hours worked and accurate Social Security numbers in your reports. Having complete and accurate information helps us match hours and wages with workers and determine if workers are entitled to benefits – and it helps you avoid unwanted penalties.

No-payroll reports
Even if you don’t have employees during a particular quarter, you still need to file a report saying you had no payroll. Otherwise, we don’t know if you had employees and forgot to file, if your report got lost in the mail, or if your business is no longer operating. If you have no payroll for two years, we will no longer consider your business to be an active account.

Electronic filing
You have many options when it comes to filing your quarterly tax and wage reports. We encourage you to file electronically using Employer Account Management Services (EAMS), which is our newest and most comprehensive application, available at efile.go2ui.com. If you prefer paper, you must use both the 5208A to report taxes and the 5208B to report wages.

Format for paper reports
We receive thousands of paper reports and we process them electronically, so it’s critical to use the proper format. Our technology lines up with the “anchors” on the form and uses blue “drop-out” ink that doesn’t reproduce when copied. If you submit reports on forms that are photocopied or come from a vendor, our machines can’t read the form. And if we can’t electronically process the forms, they need to be retyped, which can lead to errors, additional costs and penalties.

Updating business structure information
If your business takes on a new name, address, identification number, business structure or type of business activity, use the Business Change Form (Form 5208C-1) to let us know. Also use this form if you sell all or part of your business, if you no longer have Washington employees, or if you want to close your account. The form is available at taxforms.go2ui.com.

EIN or business structure
We need to know if you change your federal EIN or the type of business structure you use (e.g., sole proprietor, corporation, partnership). We report this to the IRS, which also charges you federal unemployment taxes (FUTA). If you pay state unemployment taxes, you get a credit against your FUTA taxes that may lower your FUTA tax rate from 6.2 percent to 0.8 percent. If the EIN and business structure don’t match between Employment Security and the IRS, you may have to pay the full 6.2 percent.

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Business activity
We need to know your business activity (what your business actually does) in order to classify you properly. This allows us to calculate the proper tax rates if you are a recent employer and provide accurate economic information to both state and federal governments. (Part of Employment Security’s role is to gather economic information, even though this is unrelated to unemployment insurance.)

Sell all or part of a business
If you sell all or part of your business, you are considered a predecessor to the buyer and must notify us within 30 days. If you sell the entire business, unemployment taxes are due within 10 days. If you sell part of your business, it may affect the buyer’s tax rate.

District tax offices ready to help
During these tough economic times, taxes become more difficult to pay for many employers.

When you are having difficulty meeting your quarterly tax obligations, the best thing you can do is contact your Employment Security Department district tax office. The tax-office staff can offer strategies to help you meet your quarterly obligation, even if you have past-due taxes from prior quarters.

For example, they have the ability to establish a deferred-payment contract for businesses that are having trouble paying their taxes. These contracts allow businesses to make monthly payments to satisfy their overdue tax obligations.

Establishing a deferred-payment contract also helps employers avoid a delinquent-tax rate for the next calendar year. For businesses that are barely making it, a delinquent-tax rate of 7.06 percent may be too much to endure.

If you are unable to meet your quarterly tax obligation, please pick up the phone and call your district tax office. We want to help.

Include corporate-officer wages on quarterly reports
Unless corporations have requested and been approved to exempt their corporate officers from unemployment insurance coverage, you must include the officers and their in-state wages in your unemployment-insurance quarterly reports. The next reports are due April 30, 2010.

It is too late for existing corporations to request exemption of their officers for 2010, since the deadline was Jan. 15, 2010. Requests for exemption received or postmarked after Jan. 15 will be considered for exemption starting in 2011.

Upcoming training/workshop schedule
Attend a local workshop to learn more about unemployment taxes and state services, such as tax requirements for various types of businesses, how to report and pay state taxes properly, requirements for reporting new employees and the services that are available through WorkSource.

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<td>L&amp;I contractor training day</td>
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The Employment Security Department is an equal-opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech-impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge in order to conduct business with the department.