New unemployment laws affect employers
The 2009 Legislature focused on budget issues, but many new laws also affected unemployment insurance for employers.

**SSB 5963** puts the state back into “conformity” with federal law and avoids a potential sanction in which employers could have lost their federal unemployment tax credits. Currently, unemployed claimants receive benefits based on work in two calendar quarters, while employers are charged based on wages paid in four calendar quarters. The new law bases employer charges on the same two quarters as benefits paid, beginning in 2010. The effect of this will be to increase the amount of charges attributed to many employers’ experience rating.

However, the new law also establishes a new and lower tax rate schedule for employers in rate classes 2 through 39, lowers the social cost factor for costs spread among all taxable employers, and lowers the cap on the maximum employer rate. The net effect of all these changes is a collective savings for employers, but it will vary with individual businesses.

Other changes in this bill include limiting the number of reasons for which benefits are allowed for voluntary quits, allowing benefits when workers “quit to follow” their spouse or domestic partner for employment purposes, and increasing eligibility for federally paid Extended Benefits.

**ESHB 1906** increases unemployment benefits to most claimants by $45 per week for claims from May 3, 2009, to January 3, 2010. It also increases the minimum weekly benefit amount to $155 and provides greater access to the Training Benefit and Shared Work programs. Increased benefits are not charged to employers’ experience rating accounts and will not be considered in calculating the flat social cost factor in 2010 and 2011.

Although not part of ESHB 1906, the federal stimulus package provided an additional $25 increase in unemployment benefits, paid by the federal government.

**HB 1338** allows the Employment Security Department to consider factors to avoid the high delinquent tax rate for all employers, not just domestic service employers.

**SSB 5009** allows an employer relief of benefit charges if it lays off a temporary worker who was filling in for an activated military reservist or guard member who returns to the job.

**SHB 1555** targets the underground economy, creates penalties for employers who fail to keep employment records, and gives Employment Security a priority lien on retained funds held in public works projects.

**E2SSB 5688** (subject to possible referendum) requires state agencies to treat registered domestic partners the same as spouses for benefits and liabilities.

You can read new state laws by bill number at the legislative Web site, [www.leg.wa.gov/billinfo](http://www.leg.wa.gov/billinfo).

**Cash flow problems?**
We are here to help. If you become delinquent on your UI tax payments, we may be able to enter into a payment contract with you. We call this a Deferred Payment Contract (DPC). The advantages of a DPC are:

- Allows you to maintain assigned tax rate

(continued on back)
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 (TDD) for hearing or speech impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge to the customer in order to conduct business with the department.

Some employers with cash flow problems have found that it is easier to make their tax payments if they send us payments monthly, rather than quarterly. This does not require a DPC.

If you find yourself in the unfortunate situation of being unable to pay your quarterly taxes, please call your local district tax office.

**Changes in form certification**

As part of an ongoing effort to improve our services, we recently reviewed our forms certification process.

We found that Quarterly Tax Report (EMS 5208A) and Quarterly Wage Detail Report (EMS 5208B) forms printed by employers often fail to scan properly. The information must then be hand-keyed, a time-consuming and costly process that can lead to data entry errors. These errors can result in a business being assessed a ‘wrong format’ penalty.

Since we cannot control the quality of forms printed by employers, we no longer consider them to be certified. We will attempt to process the forms you send us, regardless of the source, and accept any that scan successfully. If forms fail to scan successfully, regardless of the source, we will send a ‘wrong format’ warning or penalty to the business.

If you are ready to begin filing electronically, please contact us. Our online tax reporting system makes it easy to file your taxes electronically, and it keeps you from making most mistakes that lead to penalties. To get started, visit efile.go2ui.com.

If you choose to continue using paper forms, we will provide you with certified forms. As long as these forms are filled out correctly, you should never receive a ‘wrong format’ penalty. You can request forms by calling 360-902-0916 or e-mail taxforms@esd.wa.gov. Please tell us how many employees you have so we can send you the correct number of forms.

If you have any questions, please contact your local district tax office.

**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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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>City</th>
<th>Contact</th>
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<td>June 18</td>
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<td>June 18</td>
<td>General employer information in Spanish</td>
<td>Yakima</td>
<td>509-574-0136</td>
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<td>June 19</td>
<td>Contractor training</td>
<td>Wenatchee</td>
<td>360-902-4733</td>
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<td>June 25</td>
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<td>July 8</td>
<td>e-file, reporting, exemptions</td>
<td>Yakima</td>
<td>509-574-0137</td>
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<td>July 9</td>
<td>General employer information</td>
<td>Everett</td>
<td>425-774-2382</td>
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<td>July 10</td>
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**Report fraud**

Let us know if you suspect that a business is not paying its unemployment taxes properly or if a worker is collecting benefits he or she is not entitled to.

Employer and claimant fraud hotline: 866-266-1987
E-mail for employer fraud – undergroundeconomy@esd.wa.gov

**Technical support for Internet tax filers**

Phone – 800-565-4660
E-mail – uiftsupport@esd.wa.gov

**Order tax forms**

Phone – 360-902-0916
E-mail – taxforms@esd.wa.gov

**EAMS: Online tax tools for business**

The Employer Account Management Services (EAMS) system offers you a quick and easy way to manage your tax account. Creating an EAMS account allows you to file and amend your quarterly reports and pay your UI taxes online, upload previously reported data to the current period, and calculate excess wages. You can also check tax rates, cancel pending payments and view a complete payment history or account balance.

To start using EAMS, first you must create an account at www.SecureAccess.wa.gov. After you’ve established your account, go to Add Services and select Employment Security Department.

Once there, you will need to provide your user information to complete your registration.

For more details, visit efile.go2ui.com

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