



## Filing and Paying Timely Saves Money

Filing Montana Unemployment Insurance (UI) quarterly reports and making payment by the due date can result in significant cost savings to your business.

### Avoid Late File Penalty of \$25

- A late filing penalty of \$25 is assessed for reports filed after the due date. If you file late but had no reportable wages, you still are assessed a \$25 penalty for late filing.

### Avoid Higher Rates in 2015

- An employer's rate is based, in part, on their record of contributions paid as of September 30. If your account is past due, paying in full before October 1, 2014 could result in a lower rate.
- Also, employers who have not filed all quarterly reports or have a balance due when rates are calculated in early December will receive a penalty rate. A penalty rate is 50% higher than the employer's experience rate. Resolving a balance due or delinquent report(s) now may result in substantial savings in 2015. You must resolve all money and report delinquencies to avoid a penalty rate. If you have questions about your delinquencies, please call our office at 406-444-3834.

### Receive Full FUTA Credit

- Employers who do not pay their state UI contributions are assessed the full FUTA rate of 6.0%. The FUTA credit is 5.4% and only those employers that pay their state UI tax timely are allowed to take this credit. Be sure to pay your state UI tax so you can receive the FUTA tax credit of 5.4%.

## E-Filing through QuickBooks

QuickBooks now offers e-filing payments and reports for Montana UI through their enhanced payroll product.

If you are using this software, please note that the report will be sent and filed right away. The payment will be automatically pre-dated to the employer deadline for the quarter (example: 3rd quarter is dated October 31). You may not see the payment posted on your bank account for a day or two after the month end.

PLEASE do not submit the payment again before examining your bank account activities after the end of the month. If you have questions, please call 406-444-1874 or 406-444-6963.

Keep the handy chart below as a reminder for when your UI reports are due.

## When are my UI Quarterly Reports due?

To avoid penalty and interest charges, your UI-5 quarterly wage report and payment must be postmarked or submitted on-line by the following dates:

Quarter:	Report Covering:	Postmarked By:
1st Quarter	January, February, March	April 30
2nd Quarter	April, May, June	July 31
3rd Quarter	July, August, September	October 31
4th Quarter	October, November, December	January 31

If the due date is on a weekend or holiday, the next business day becomes the date the quarterly reports and payment must be postmarked or submitted.

# Do I Pay Tax on Total Wages I Pay My Employees?

## - Alleviate the “guess work” with *UI eServices for Employers*

“Experience Rated” employers must report all wages paid to their employees on their quarterly report. However, each year, they pay UI tax on wages paid to each employee up to and including the UI taxable wage base. The taxable wage base is listed in the upper right hand corner of the quarterly report form and typically changes from year to year. The taxable wage base for 2014 is \$29,000. Any wages paid an employee over the taxable wage base are considered excess wages. The example below illustrates taxable wages versus excess wages, using the 2014 wage base.

Computing Excess Wages per Employee (based on 2014 UI wage base of \$29,000)				
Quarter	Total Wages Paid In Quarter	Total Wages Paid To Date in CY	Taxable Wages in Quarter	Excess Wages in Quarter
First	\$10,000	\$10,000	\$10,000	0
Second	10,000	20,000	10,000	0
Third	10,000	30,000	9,000	\$1,000
Fourth	10,000	40,000	0	\$10,000

Computing taxable wages can be confusing. To make it simpler for employers, the department developed a web service that can do this calculation for you using *UI eServices for Employers*. Not only will UI eServices calculate your individual employee’s taxable wages each quarter, it determines your total tax due. You also have the option to make an ACH debit payment without having to pay a user fee. To get started, go to [uieservices.mt.gov](http://uieservices.mt.gov). If you have not registered yet, you will first need to establish an ePass account and a UI eServices account. After your first time logging in, subsequent log-in is much simpler– just log in to ePass and answer a security question on UI eServices.

If you are a “Governmental” employer or “Reimbursable” employer (only non-profit organizations exempt under Internal Revenue Code 501(c)(3) and governmental entities qualify), you compute and pay UI tax on employees’ TOTAL wages. *UI eServices for Employers* can also be used by these types of employers to file reports and make payment.

## 2014 Assistance for Business Clinic Schedule for the Remainder of the Year

There is still time to attend 2014 Assistance for Business Clinics in September and October. If you are interested in attending, please call a sponsor (Chamber of Commerce or Job Service) in these cities for location & fees.

Lewistown .....Sept. 24 .....Job Service (JSEC)  
 Butte .....Oct. 2.....Chamber of Commerce  
 Hamilton.....Oct. 8.....Chamber of Commerce

The Assistance for Business Clinics are designed to assist employers, accountants, bookkeepers, human resource professionals and lawyers to proactively prevent unnecessary claims and/or charges by providing information and requirements on state withholding, unemployment insurance, workers’ comp., safety, tax incentives, health insurance, minimum wage, overtime, and/or civil rights laws.

For more information visit:  
<http://dli.mt.gov/resources/abc-schedule>.

### 2015 Taxable Wage Base

The taxable wage base for experience rated employers for calendar year 2015 will be \$29,500. The 2015 taxable wage base is 80% of the 2013 average annual wage in Montana.

### Are Pre-Taxed Wages Reportable to UI?

Yes. Any contributions or premiums paid out of an employee’s gross wages are considered wages for purposes of Unemployment Insurance tax and should be reported to UI. Examples include pre-taxed health insurance (including any cafeteria plan deductions under IRC Section 125), and employee contributions, salary reductions or deferrals to a 401(k) or other type of pension or retirement plans. A good rule of thumb for Unemployment Insurance is to report Gross Wages.