



## 2013 Taxable Wage Base

The taxable wage base for experience rated employers for calendar year 2013 is \$27,900 as compared to \$27,000 in 2012. The 2013 taxable wage base is 80% of the 2011 average annual wage in Montana.

## 2013 Contribution Rate Notices

UI contribution rate notices for experience rated employers\* were mailed the week of December 10, 2012. If you did not receive your 2013 rate notice, please contact our office for a copy. Employers who disagree with their rate assignment must request a rate re-determination by January 11, 2013.

*\*Governmental entities rate notices are mailed in May and are in effect from July 1<sup>st</sup> through June 30<sup>th</sup>.*

## Confidential Information

The Montana Unemployment Insurance Division is required to notify employers that wage information and other confidential unemployment insurance information may be requested and utilized for other governmental purposes, including, but not limited to, verification of an individual's eligibility for other government programs.

We take our security responsibilities very seriously, and protect the confidentiality of both employer and claimant information. We do not release information without careful verification of the requesting authority. Your name, address, Federal employer identification number, UI account number, wage information, and social security numbers of individuals are all considered confidential.

*The employees of the Unemployment Insurance Division wish you Happy Holidays!*

## Employer Update Form

Enclosed with this quarter's UI Wage Report and Newsletter is an Employer Update Form. We'd greatly appreciate it if you would complete all portions of this form that apply. We are requesting this as information on some accounts is obsolete. We also need to update accounts with current email addresses, cell phone numbers and fax numbers to give us the future ability to communicate electronically with employers who chose this option. Additionally, you now have the option for benefit claims correspondence to be sent to a different address from your UI tax forms, and if that is desired, designate it on this form (Part III).

Please return your completed Employer Update Form with your quarterly report, or mail or fax it to the address or fax number listed on the form. If you have questions, please call us at 406-444-3834.

## Amending Quarterly Reports

If you made an error on a previously submitted report, you must file an amended report. Please follow these simple steps to correct the mistake:

- Copy the report to be amended
- Check the "amended report" box in Step 1
- Make corrections using red ink. (This helps identify what was originally reported and what should be corrected.)
- Attach a note explaining why the corrections are needed.
- If the changes result in taxes due, please include payment.
- If you make an adjustment on line # 7 of your current quarterly report, please attach the amended report to the current report.

## Avoid paying late charges

A \$25 late file penalty is assessed for past due UI reports, and interest accrues at 1 ½ % per month on past due payment. Please note: The \$25 penalty is assessed on all late filed reports, including those where no tax is due.

## Independent Contractor Requirements

Montana Unemployment Insurance (UI) law defines an independent contractor as one who is working under a valid Independent Contractor Exemption Certificate. If a business pays an individual they believe is an independent contractor and the worker does not have a valid Independent Contractor Exemption Certificate, the business may be liable for UI taxes on payments to the individual. To be conclusively presumed to be an independent contractor, the individual must have a valid Independent Contractor Exemption Certificate for the occupation in which the work is being performed. The Independent Contractor Central Unit of the Department of Labor & Industry (DLI) reviews and approves applications for independent contractor exemption certificates. The Independent Contractor Central Unit may also suspend or revoke an IC exemption certificate.

When you contract for any type of service with an individual, confirm the individual has a valid independent contractor exemption certificate by asking them for a copy. Independent contractors with currently valid exemption certificates can also be found at:

[www.mtcontractor.com](http://www.mtcontractor.com).

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## What is a Claims Investigation Audit?

The UI Division performs random Claims Investigation audits to determine if a worker, who was employed while receiving UI benefits, is accurately reporting his or her earnings and hours when filing their weekly requests for payment. Additionally, we are looking to see if a worker has returned to work but is still filing for UI benefits. At the beginning of every quarter, a cross match of wages reported by employers during the previous quarter is run to compare against the earnings reported by claimants during the same quarter. If there is a discrepancy, an audit form is sent to the employer(s) who reported wages for the worker.

On the audit form, employers are asked to list the hours worked and gross earnings the worker received during each week. It is important employers respond to these audit requests as it may identify a problem. When an employer responds to an audit, we work together to ensure unemployed workers receive the benefits due them. Completing an audit form listing a worker's hours and earnings helps to ensure an employer account is only charged for benefits a worker is eligible to receive.

If you have questions regarding a Claims Investigation Audit form, please call (406) 444-1765 or (406) 444-2937 and speak to one of our investigators.

## QuickBooks Users

**Experience Rated Accounts:** If you use tax accounting software (such as QuickBooks) to prepare your UI quarterly reports, be sure to update both your contribution and AFT rates as shown on your 2013 rate notice to assure accuracy in calculating your UI payments in 2013.

**Reimbursable and Governmental Accounts:** We have been informed Quickbooks does not support proper calculation of Montana's Administrative Fund Tax (AFT) as it does not calculate tax due on total wages. If you use Quickbooks, we recommend the following:

1. If all of your employees earn less than \$27,900 in a calendar year, you may continue to use the payroll reports that Quickbooks creates and taxes will be calculated correctly.
2. If any of your employees earn more than \$27,900 in a calendar year, you should either:
  - Manually calculate your UI tax by multiplying your total wages by your AFT rate and use our UI5G quarterly tax report to file, attaching a copy of your Quickbooks wage listing to the report. Next, adjust the payroll liability to the correct tax amount before writing your check; or
  - Upload your Quickbooks wage file to our on-line filing service, WOW at [wow.mt.gov](http://wow.mt.gov) and pay on line, (or you may write a check after adjusting your payroll liability in Quickbooks to the correct tax amount and mail it in); or
  - Set up a custom payroll item in Quickbooks which has no wage limit and change the rates in the preset UI tax and AFT tax to 0%.

Please call Lesa Grindeland for step-by-step instructions at 444-3835, or you may email her at [lgrindeland@mt.gov](mailto:lgrindeland@mt.gov).