



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

## **2012 Contribution Rate Notices**

UI contribution rate notices for experience rated employers\* were mailed the week of December 13, 2011. If you did not receive your 2012 rate notice, please contact our office for a copy. Employers who disagree with their rate assignment must request a rate re-determination by January 13, 2012.

The contribution rates remain at Schedule 7 in 2012. Though revenues increased as a result of higher rates last year, the continued economic downturns with high levels of unemployment benefit payments resulted in only a slight increase in the UI trust fund balance. The trust fund balance is a principal factor in setting employer contribution rates. The fund balance on October 31, 2011 was nearly \$129 million whereas on the same date last year, it was \$123 million.

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

## **Penalty Rates**

If you received a penalty rate because you have a UI debt or have not filed all UI reports, it is in your best interest to resolve the delinquency. A penalty rate is 1 ½ times higher than the rate that would have been assigned and remains in effect for the entire year. Resolving your delinquencies now may result in substantial savings in 2012. All reports must be filed and UI tax, penalty and interest must be paid by January 13, 2012 to avoid a penalty rate. Even if you had no employees for any or all of the quarters in question, you must file your reports timely each quarter.

If you have questions about your rate, UI debt or delinquent reports please call our office at 406-444-3834 or call your local Field Representative.

## **2012 Taxable Wage Base**

The taxable wage base for experience rated employers for calendar year 2012 is \$27,000. The taxable wage base is 80% of the 2010 average annual wage in Montana.

## **QuickBooks Users**

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 2012 rate notice to assure accuracy in calculating your UI payment. To avoid problems, please wait until after you have completed the fourth quarter 2011 payroll to update your software with the new rates and the 2012 taxable wage base.

## **Avoid a Common 4th Quarter Wage Reporting Error**

Health or accident insurance premiums paid by the employer are **NOT** considered wages for Unemployment Insurance purposes. This includes premiums paid by the employer for its employees, including S Corporation shareholder-employees regardless of the percentage of ownership. Reference 39-51-201 (25)(b)(i)(C), Montana Code Annotated.

## **UI4Employers**

UI4Employers provides secure, on-line access to your Unemployment Insurance account information in addition to on-line employer registration.

UI4Employers allows authorized users to access UI account information such as UI tax rates (including 2012 and past five years), quarterly report filing history, and contacts' names and addresses. Users may also print quarterly report forms, FUTA re-certifications, rate notices, benefit charge statements, and statements of account.

Only an owner, officer or partner may initially access their UI account. Upon gaining access, he or she becomes the "access rights administrator" and may grant access to other officers or partners, employees or employer representative (such as accountant or payroll service provider). Before receiving access, additional users must first log into UI4Employers, get a "user ID," and provide their ID to the access rights administrator.

UI4Employers may be accessed at: [ui4employers.mt.gov](http://ui4employers.mt.gov). Users log in using the Montana ePass portal. Users without an ePass account must first create one. After entering their ePass account information, the user will be directed to UI4Employers main menu.

If you encounter any problems accessing or using UI4Employers, contact our office at 406-444-3834 for assistance.

## **Help Reduce Improper Unemployment Insurance Benefit Payments**

Program integrity is the #1 focus of the Unemployment Insurance Division. We want to improve program integrity by reducing improper payment of benefits.

To improve future program integrity, agency staff identified three areas causing the highest number of improper payments:

1. Claimants incorrectly report hours and earnings while receiving partial benefits.
2. Claimants leave a less than full-time job and fail to report the separation to the UI Division.
3. Claimants fail to make weekly work search contacts while drawing benefits.

As a Montana employer, how can you help?

You can make an immediate impact by responding timely and completely to requests for information. Accurate and timely responses may reduce UI contacting you for more information. Plus we can do a better job of paying benefits only when due -- saving time and money for all employers.

We would like to hear from you! If you have comments on how to improve the integrity of the UI program, please write to us at PO Box 8020, Helena MT 59604-8020.

In the coming months, look for tips on how employers can help improve the integrity of the UI program and perhaps reduce their benefit charges.

Thank you for your efforts in keeping Montana's UI program streamlined and cost effective.

