



MONTANA UNEMPLOYMENT INSURANCE (UI) QUARTERLY NEWS

Confidentiality of Employer Information

Montana Unemployment Insurance Division is required to notify employers that wage information and other confidential unemployment compensation information may be requested and utilized for other governmental purposes, including, but not limited to, verification of an individual's eligibility for other governmental programs, by authority of Section 603.11(b) of 20 CFR.

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, state, federal employer identification number, UI account number, wage information, and social security numbers of individuals are all considered confidential under Federal law.

Filing and Paying UI Timely Saves Money

Filing Montana Unemployment Insurance 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 Penalty Rates in 2011

- Employers, who have a balance due or have not filed all reports when rates are calculated in December, 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 2011. 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 not allowed the full 5.4% FUTA (federal unemployment tax) credit on their IRS form 940. Instead of paying FUTA at the 0.8% rate, employers who do not pay state UI taxes are assessed FUTA at 6.2%. Be sure to pay your state UI tax timely so you receive the full FUTA credit.

2011 Taxable Wage Base

The taxable wage base for experience rated employers for calendar year 2011 is \$26,300. The taxable wage base is 80% of the 2009 average annual wage in Montana.





Computing Excess Wages - per employee (based on 2010 UI wage base of \$26,000)

Quarter	Total Wages Paid In Quarter	Total Wages Paid To Date	Taxable Wages	Excess Wages
First	\$ 9,000	\$ 9,000	\$ 9,000	\$ 0
Second	9,000	18,000	9,000	0
Third	9,000	27,000	8,000	1,000
Fourth	9,000	36,000	0	9,000

NOTE: Reimbursable and governmental employers should NOT report excess wages as they pay UI tax on total wages.

Corporate Officers

Montana Unemployment Insurance Law requires that a corporation must report and pay unemployment insurance taxes on the wages of its corporate officers. This includes corporate officers with independent contractor exemption certificates. Limited Liability Companies (LLCs) that file federal taxes as a corporation must also report and pay UI tax on wages of their members/managers.

Records To Be Kept By Employer

For Montana Unemployment Insurance purposes, you must keep a record of:

- beginning and ending date of each pay period;
- total wages paid during each pay period;
- employee expense reimbursements;
- method of payment;
- number of employees on the 12th of each month and total number of employees each quarter;
- each employee's name, social security number and wages for each pay period;
- date each employee was hired, re-hired or returned to work after a temporary lay-off;
- date an employee was terminated, and the cause of the termination, and
- Articles issued by the Secretary of State.

A complete explanation of the records you must keep is in [Section 24.11.2704](#) of the Administrative Rules of Montana. For a copy of this rule, go to our website <http://uid.dli.mt.gov/> under the UI Rules tab. If you have questions, please call the Montana Unemployment Insurance Contributions Bureau at (406) 444-3834 or a local area field representative.

Your records must be available for inspection by the department or its authorized representative. A field representative may audit your records to confirm quarterly reports were filed correctly and you are complying with the law. The field representatives will also answer your questions and help you understand [Montana](#) Unemployment Insurance.

