



2015 UNEMPLOYMENT INSURANCE LAW CHANGES THAT IMPACT EMPLOYERS – EFFECTIVE JULY 1, 2015

Two bills pertaining to employers regarding unemployment insurance tax matters were signed into law:

Senate Bill 85:

- Expands the authority of the Unemployment Insurance Division to use the federal Treasury Offset Program to divert federal income tax refunds for payment of UI tax, penalties or interest or benefit overpayment debt and penalties, and includes processing fees as part of the debt that can be collected through offset.

Senate Bill 105:

- Renames the Board of Labor Appeals to the Unemployment Insurance Appeals Board to more accurately reflect the type of appeals over which the board has jurisdiction;
- Clarifies and aligns exemptions from “employment” that pertain only to governmental or non-profit entities with the federal unemployment tax act;
- Limits amendment or issuance of a credit or refund on wages reported and subsequently used to establish benefit eligibility to within 2 years unless a false claim or omission of material fact was involved; then a 3 year look-back is permitted;
- Clarifies that an employer may only appeal the determination of experience factors or major industrial classification that determines their contribution rate and may not appeal the tax rate schedules or the method of calculation established by statute; and
- Requires change in governmental rate schedule after one year when total benefit charges exceed contributions paid for all governmental accounts.

If you have questions regarding these bills, call us at 406-444-3834.

CONTRACTOR LIABILITY: DID YOU KNOW?

Unless they are a registered contractor, if any of your sub-contractors owe UI tax for work done for your business, you may be held liable for that debt ([39-51-1104 MCA](http://39-51-1104.MCA)). To protect yourself, obtain a certificate of UI compliance from subcontractors who had employees working on your job before making final payment to them. Also, before you contract with an individual who has no employees, confirm they have an independent contractor exemption certificate by going to mtcontractor.com and selecting ICEC Search located on the right hand side under Related Links.

AFFORDABLE CARE ACT CHANGES HEALTH REIMBURSEMENT ARRANGEMENTS (HRAs)

The US Treasury published IRS Notice 2013-54 on September 13, 2013 regarding employer sponsored health reimbursement arrangements (HRA). It states individually-owned insurance policy premiums can no longer be reimbursed to employees with pre-tax dollars.

Since January 1, 2014, employers who reimburse employees for insurance premiums through a HRA are no longer paying a tax free reimbursement to the employee. The reimbursement must be added to the employee's wages and is subject to all employment taxes (including UI tax).

MONTANA'S FILE TRANSFER SERVICE HAS UNDERGONE A MAJOR UPGRADE!

It is Still a Fast, Easy way to

Meet UI Claims 8-day Response Deadlines

The File Transfer Service has a new look with a more "User Friendly" format. The system was offline for a few days when changes were made, but it is now fully operational. The changes were not just cosmetic. The user now has more ability to customize the "dashboard" to their particular needs. Also, functionality for receiving and transmitting files has been streamlined with displays for "sent" and "received" files presented in a more useable format. Sending a file through the service has been simplified with an improved search and addressing process. The File Transfer Services is available at the same location, <https://transfer.mt.gov>.

The Service requires no software except for a web browser. Transfers are securely encrypted meeting all security requirements under state and federal privacy regulations. This creates the perfect environment for employers to submit files containing Personally Identifiable Information ("PII") and know the information is secure. The Unemployment Insurance Claims Processing inbox, UIPass@mt.gov, is dedicated to receiving files through the File Transfer Service. The inbox is monitored by UI staff and submissions are processed into the system the same day they are received.

Unlike faxing, the FTS does not limit the type of files that can be submitted. The system can receive any type of electronic file including audio and video. Customers can upload files as large as can be transferred in one hour, or 2GB, whichever is less.

To take advantage of the File Transfer Service to respond to UI **claim** information requests, all you need to do is create an "ePass Montana" account. If you already have an ePass account, just sign in, upload your files and send them to the UIPass inbox. To open an account, simply open your browser and go to <https://transfer.mt.gov> or, type "ePass Montana" in your browser's search window. At the File Transfer Service home page, click "Create an ePass Account" and follow the directions for setting up an account. Once you have your account, upload your files following directions on the website and send them to UIPass@mt.gov.

If you have questions about the File Transfer Service, don't hesitate to call the Montana Unemployment Insurance Division switchboard at (406) 444-3783, or, one of the Claims Processing Centers: in Helena at (406) 444-2545, or, in Billings at (406) 247-1000.

2015 ASSISTANCE FOR BUSINESS CLINIC SCHEDULE FOR THE REMAINDER OF THE YEAR

There is still time to attend 2015 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.

PolsonSept. 1 Job Service (JSEC)
LewistownSept. 20..... Job Service (JSEC)
ButteSep. 30 Chamber of Commerce
HamiltonOct. 6 Chamber of Commerce

ARE WAGES OF SEASONAL, TEMPORARY OR PART-TIME EMPLOYEES REQUIRED TO BE REPORTED TO UNEMPLOYMENT INSURANCE

Yes they are! Montana UI law has no exclusions for part-time, temporary or seasonal employment. The term "wages" is defined in Section 39-51-201 (25)(a), MCA, as "all remuneration payable for personal services, including the cash value of all remuneration payable in any medium other than cash." Wages paid to any employee providing a service for your business is reportable and taxable for Unemployment Insurance.