

## Taxable Wage Base - Calculating Excess & Taxable Wages

Experience rated employers in Montana pay unemployment insurance taxes on wages up to and including the taxable wage base. The taxable wage base is 80% of the prior year's average annual wage (rounded to the nearest \$100). The taxable wage base is recomputed each calendar year.

For 2016, the taxable wage base is \$30,500. Wages paid to an employee in excess of \$30,500 in a calendar year must still be reported as part of their total quarterly wages, but the excess amount is not taxed. Be sure to subtract quarterly excess wages from total wages paid in the quarter when calculating quarterly taxable wages. The example below illustrates taxable wages and excess wages, using the 2016 taxable wage base.

<b>Computing Excess Wages - per employee (based on 2016 UI wage base of \$30,500)</b>				
<b>Quarter</b>	<b>Total Wages Paid in Quarter</b>	<b>Total Wages Paid To Date</b>	<b>Quarterly Taxable Wages</b>	<b>Quarterly Excess Wages</b>
First	\$10,000	\$10,000	\$10,000	\$0.00
Second	\$10,000	\$20,000	\$10,000	\$0.00
Third	\$10,000	\$30,000	\$10,000	\$0.00
Fourth	\$10,000	\$40,000	\$500	\$9,500

Note: Reimbursable and governmental employers do NOT have excess wages. They pay tax on total wages.

**2017 Taxable Wage Base: The Taxable Wage Base for 2017 will be \$31,400.**

### 2017 Rate Notices

2017 rate notices were mailed to employers or their authorized agents the week of December 12. The 2017 contribution rates were set using rate schedule 1, the same as in 2016. Each employer's rate is calculated based on their own UI history and experience.

If you were assigned a penalty rate due to missing quarterly reports and/or payment, please resolve the penalty by sending in all missing reports and payment in full by January 12, 2017. Doing so will result in receiving your computed rate instead of the penalty rate.

If you use payroll software to calculate your UI taxes, be sure to confirm your software is updated with the 2017 taxable wage base and your 2017 tax rate. If you cannot locate your 2017 tax rate, you may obtain the rate by using UI eServices ([uieservices.mt.gov](http://uieservices.mt.gov)) or calling our office at (406) 444-3834.

### Amending Quarterly Reports

Do you need to amend a previously filed report? Amending a report via paper is accepted, but you can also easily amend a report on UI eServices (even if you originally filed it on paper). Once logged on to [uieservices.mt.gov](http://uieservices.mt.gov), navigate to the report you wish to amend by clicking "View Report" next to the applicable quarter and then click "Change". Choose the reason for the amendment from the drop-down menu and include a detailed explanation of the change in the space provided. Make the necessary changes to the information on the report and click "Submit". The amended report will be processed in our office within 3 - 5 business days.



## **Payment Reminders:**

- Please make your check or money order payable to the Unemployment Insurance Division.
- If your bank has changed in the past year or two, please be sure to check and update your bank routing number if you pay electronically on Quickbooks or UI eServices. Payments rejected due to an incorrect routing number may cause your payment to be late and your bank may charge a fee as well. You can change your bank account information on UI eServices by clicking on My Bank Account.

## **Coming in 2017 e-Response to UI Claims**

In 2017, employers or their agents will have the ability to receive and respond to unemployment claim separation requests electronically through the UI eServices employer portal. Be watching for more information in 2017 about this exciting development.

## **Change in Montana's Minimum Wage**

Montana's minimum wage is changing from \$8.05 per hour to \$8.15 per hour beginning January 1, 2017.

To get a copy of Montana's current Wage & Hour poster or for additional information, go to <http://erd.dli.mt.gov/labor-standards/wage-and-hour-payment-act/state-minimum-wage>, or call the Wage & Hour Unit at 406-444-5600.

## **New OSHA Record Keeping Rule**

The Occupational Safety and Health Administration (OSHA) has a new record keeping rule which may have an impact on your business. The new rule, which takes effect January 1, 2017, requires certain employers to electronically submit injury and illness data. This data is already required to be recorded on onsite OSHA Injury and Illness forms. This data enables OSHA to use its enforcement and compliance resources more efficiently.

Some of the data will also be posted to the OSHA website. Businesses that fail to comply with the new record keeping rule could face thousands of dollars in fines.

You can learn more about the new record keeping requirements at <https://www.osha.gov/recordkeeping/finalrule/index.html> or by calling the Safety & Health Consultation Services of the Montana Department of Labor & Industry at (406) 494-0324.

## **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.

Cost of Publication