



## Quarterly News

### 2018 Rates & Software Updates

Rate notices for 2018 were mailed to employers or their authorized agents the week of December 18. Contribution rates for next year were set using rate schedule 2, a change from 2017's schedule 1. The yearly rate schedule is computed using the ratio of the UI trust fund balance on October 31<sup>st</sup> to total wages of experience rated employers at the end of the state fiscal year. Where that ratio falls relative to the statutorily established rate schedule, determines the rate schedule to be applied for that year.

If your account was missing reports and/or payments when the rate notices were prepared, your rate notice will show a penalty rate assignment. That means your rate is 50% higher than it otherwise would be. To avoid the penalty rate and have the computed rate apply to your account for 2018, you must submit all missing reports and pay in full by January 19, 2018. If you miss that date, the penalty rate will apply for the entire year.

If you use payroll software to do your UI taxes, update the software to include your 2018 contribution rate and 2018 taxable wage base of \$32,000 after you have filed your 4<sup>th</sup> quarter 2017 report. Also make sure your payroll tax preparer gets a copy of your rate notice so they use the right rate to compute your UI taxes. If you misplace or lose your 2018 tax rate notice, you can download a copy for your account from UI eServices ([uieservices.mt.gov](http://uieservices.mt.gov)). If you aren't registered for UI eServices, call (406) 444-3834 and we will send you a copy.

### Confidential Information

The Montana Unemployment Insurance Division must notify employers that wage information and other confidential unemployment insurance information may be requested and used for governmental purposes other than unemployment compensation. For example, federal and state law allows use of confidential UI information to verify an individual's eligibility for other government programs.

We take our responsibility to protect the confidentiality of employer and claimant information very seriously. Confidential UI information, including your name, address, FEIN, UI account number, wage information, and social security numbers of individuals, is released only after careful verification of the requesting authority.

### Changes to UI5V Mailing

The UI Division will stop mailing UI5V Payment Vouchers to employers who file electronically after 4th Quarter 2017. We encourage you to pay electronically on UI eServices or via QuickBooks Pro if you use this software. If you prefer to pay by check, print a payment voucher from your UI eServices account or your payroll software and mail that with your check.

We will continue to mail paper UI5 Quarterly Wage Reports (with the payment voucher) to employers who are not using UI eServices. If you use forms produced by your tax preparer or payroll software instead of our forms, we encourage you to contact us so we can stop mailing UI5s to you. Simply email [uieservices@mt.gov](mailto:uieservices@mt.gov) or send a web message from your UI eServices account. Better yet, consider e-filing your UI quarterly reports on UI eServices -- it saves time and money.

It is easy to set up electronic notifications on UI eServices to remind you when to file reports and payments. Go to [uieservices.mt.gov](http://uieservices.mt.gov) to get started.

### Bonuses

Remember to include any bonuses paid to employees on your UI quarterly wage report. All cash or non-cash payments given to employees for services performed are considered wages. For more information on reportable wages and employment, see Section 3 in our Employer Handbook which can be found online at <http://uid.dli.mt.gov/>.

### Kalispell SafetyFestMT

Unemployment Insurance is participating in the Kalispell SafetyFestMT, which runs January 8 - 11, 2018. This is a great opportunity to learn about UI tax and benefits in addition to a variety of safety presentations, all free of charge. UI presentations are scheduled Wednesday, January 10 at 5:30 p.m. and Thursday, January 11 at 8 a.m. To register or learn more about SafetyFestMT go to <http://SafetyFestMT.com/>.

**SafetyFestMT**



## Calculation of Excess & Taxable Wages for 2017

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 2017, the taxable wage base is \$31,400. Wages paid to an employee in excess of \$31,400 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 shows how quarterly excess wages are subtracted from total wages in the quarter to calculate quarterly taxable wages.

<b>Computing Excess Wages – per employee</b> (based on 2017 UI wage base of \$31,400)				
Quarter	Total Wages Paid in Quarter	Total Wages Paid Year To Date	Quarterly Taxable Wages	Quarterly Excess Wages
First	\$10,000	\$10,000	\$10,000	\$0
Second	\$10,000	\$20,000	\$10,000	\$0
Third	\$10,000	\$30,000	\$10,000	\$0
Fourth	\$10,000	\$40,000	\$1,400	\$8,600

Note: The taxable wage base does not apply to reimbursable and governmental employers; they pay UI taxes on total wages.



## SIDES Update: Two Modules, 4,000+ Montana Employers & More to Come

For benefit/claims purposes, Third Party Administrators (TPAs) represent about 1,600 Montana employers. All separation-related info requests and responses for TPA employers go through the SIDES web service. This October, Monetary and Potential Charge information was added to the SIDES web service. TPAs can now view wages used to calculate claimant benefits and see potential charges an employer could incur if benefits are awarded and the employer is found liable. To date, the SIDES web service has handled nearly 950 potential charge notices for TPA-represented employers.

An additional 2,400 Montana employers, not represented by a TPA for benefit purposes, currently participate in the SIDES E-Response program. Every week, the number of participating employers grows. Between September and October, separation information requests through SIDES E-Response doubled. With the October rollout of the Monetary and Potential Charge module, more than 1,000 potential charge notices and associated employer responses have been electronically processed through SIDES E-Response.

In January, 2018, a third SIDES module – Earning Verification - will go live. This module will facilitate electronic exchange of hours and earnings information via SIDES E-Response.

If you like the idea of using your computer – and only your computer – to respond to UI benefit information requests and notices, we encourage you to sign up for UI e-Services and SIDES E-Response today. If you use UI e-Services and haven't added SIDES yet, do it now. Your time will be well spent.

**SIDES = ONE SOLUTION, MANY USES**