



## Quarterly News

### New SIDES Exchange

#### Determinations and Decisions

Effective August 15, 2019, UI benefit claim Determinations and Decisions (or Redeterminations) can be received and responded to via SIDES E-Response. The new exchange greatly increases the speed at which the determination/decision is available to you and it provides an easy user-friendly way to request a redetermination or appeal, including the ability to upload supporting documentation.

If you have not signed up to participate in SIDES E-Response, we strongly encourage you to do so. Our program is utilizing SIDES to electronically exchange information with employers regarding the following benefit claims related issues:

- Separation Information
- Monetary and Potential Charging
- Earnings Verifications
- Determinations and Decisions

Close to 12,000 Montana employers are already participating. To join them, simply login to [UI eServices](http://UIeServices.ueservices.mt.gov) ([ueservices.mt.gov](http://ueservices.mt.gov)) and provide us with the name and email address of the individual(s) responsible for receiving and responding to benefit claims related requests for information. If you are using a third party entity to respond, an [authorization form](#) may be required.

Once signed-up, SIDES E-Response participants will receive an email when there is a request for information awaiting their review. They'll be able to log in and review/respond right away. It's fast, free, and greatly reduces any forfeiture of rights to protest benefit eligibility or benefit charges.

For more information or assistance with signing up, contact our Customer Support team at (406) 444-3834 (select option 2).

Mark Your Calendar – SIDES Webinar  
1st Thursday of the month, 1:30 pm  
Email [UISIDES@mt.gov](mailto:UISIDES@mt.gov) for info.

### 2020 Taxable Wage Base

The 2020 taxable wage base will be \$34,100, which is 80% of the 2018 average annual wage (rounded to the nearest \$100).

We recommend you not update payroll software with the 2020 taxable wage base until AFTER you file the UI report for the fourth quarter of 2019.

### Reporting of Tips as Wages for Unemployment Insurance Purposes

Tips your employee receives from customers are generally considered to be wages and subject to Montana Unemployment Insurance. "Wages" as defined in 39-51-201(25)(a)(iii), MCA includes, but is not limited to, tips or other gratuities received by the employee, to the extent the tips or gratuities are documented by the employee to the employer for tax purposes.

Federal Law requires employees report cash tips to their employer by the 10th of the month following the month the tips are received, unless the total tips are less than \$20 for the month. Total tips include tips the employer paid over to the employee for charge customers, tips the employee received directly from customers, and tips received from other employees under any tip-sharing arrangement. All directly or indirectly tipped employees must report tips to the employer unless the tips total less than \$20 for the month.

For information on federal tip reporting, see IRS Publication 15 (Circular E).

### SafetyFestMT

The Unemployment Insurance Division is participating in the Billings SafetyFest November 18 – 21, 2019. This event is a great opportunity to learn about UI tax and benefits while attending a variety of safety presentations. Register for SafetyFest at [SafetyFestMT.dli.mt.gov](http://SafetyFestMT.dli.mt.gov)



Predecessor Wages – A Hidden Benefit of Rate Transfers

When a business acquires another business or re-organizes and obtains a new UI account, there is often a transfer of rate experience. Sometimes the transfer is mandatory because of common ownership, management, or control between the two entities. In other cases, it is voluntarily transferred after both owners sign a Joint Application for Transfer of Experience (UI-272) within 90 days of the acquisition.

If your business received a transfer of experience, another benefit that may save you money is the requirement that predecessor wages be used to calculate excess wages for employees who earn more than the annual taxable wage base (\$33,000 for 2019).

While some accountants or payroll services may be familiar with the transfer of rate experience, they are often unaware the wages paid by the predecessor must be used to calculate excess wages of the employees who continued to work for the new employer. In other words, the wages paid by the previous owner should be treated as if they were paid by the buyer or successor when you calculate excess.

Failure to calculate the excess without considering the predecessor wages results in mistakes in the calculation of taxable wages and tax overpayments. If you do not have the predecessor's wage records, file your quarterly reports on [UI eServices](#) and we'll calculate the correct excess for you.

How to calculate excess with predecessor wages

Below are two examples of how to use predecessor wages (wages paid by the previous owner or entity) to correctly calculate excess wages. In this scenario, the acquisition took place August 1, 2019.

Employee:	Predecessor Wages YTD	Predecessor Excess YTD	Successor 3 <sup>rd</sup> Quarter Wages	Successor 3 <sup>rd</sup> Quarter Excess	Successor 4 <sup>th</sup> Quarter Wages	Successor 4 <sup>th</sup> Quarter Excess
Sue	50,000	17,000	10,000	10,000	5,000	5,000
<i>Explanation: Since Sue's predecessor wages exceeded the wage base, all of her wages are excess.</i>						
Tom	25,000	0	12,000	4,000	16,000	16,000
<i>Explanation: Tom's 3<sup>rd</sup> quarter excess is (25,000 + 12,000 - 33,000 = 4,000). All of his 4<sup>th</sup> quarter wages are excess.</i>						

**Labor Law Posters**

If your 5-in-1 labor poster was issued prior to July 2017, it is time for an update. This federally required poster encompasses Equal Employment Opportunity, Family and Medical Leave Act with Military Family leave (for employers with 50 or more employees), Federal Minimum Wage (Fair Labor Standards Act), the Polygraph Protection Act, and OSHA (Occupational Safety and Health Administration). In addition to the 5-in-1 poster, federal regulations require posting the Uniformed Services Employment and Reemployment Act.

Most people don't know these posters can be picked up at your local Job Service office or by contacting the Montana Department of Labor & Industry in Helena at (406) 444- 4100. These posters are available at no cost.

Posters required by Montana state law include: Proof of Unemployment Insurance coverage (provided by UI Contributions Bureau, 406-444-3834) and Proof of Workers' Compensation coverage (provided by your Workers' Compensation Insurance carrier).

The 2019 Montana Minimum Wage poster is not a required poster, however may be downloaded from [mt.gov](#) by searching "posters". We recommend posting the Montana Minimum Wage poster, as employers are required to pay the higher of Federal or the Montana Minimum Wage.

Place these posters in a conspicuous place where they can be viewed by employees. For more information or to obtain a 5-in-1 poster, contact your local Job Service office or the Montana Department of Labor & Industry at (406) 444-4100.