



*The employees of the
Unemployment Insurance Division
wish you Happy Holidays!*

2010 Contribution Rate Notices

UI contribution rate notices for experience rated employers were mailed the week of December 7, 2009. If you did not receive your 2010 rate notice, please contact our office for a copy. Employers who disagree with their rate assignment must request a rate re-determination by January 8, 2010.

(Governmental entities rate notices are mailed in May and are in effect from July 1st through June 30th.)

Why did rates increase from last year?

The primary reason for the increased rates is the economic downturn caused a significant increase in UI benefit payments resulting in a much lower UI trust fund. The trust fund balance is a principal factor in setting employer contribution rates. The fund balance on October 31, 2009 was \$191 million whereas on the same date last year, it was \$290 million.

If you use tax accounting software (such as QuickBooks) to prepare your UI quarterly reports, be sure to **update both your contribution and AFT rates** as shown on your 2010 rate notice to assure accuracy in calculating your UI payment. To avoid problems, please wait until after you have completed the fourth quarter 2009 payroll to update your software for the new rates **and** the 2010 taxable wage base.

Penalty Rates: If you received a penalty rate because you have a UI debt or have not filed all UI reports, it is in your best interest to resolve the delinquency. A penalty rate is 1 ½ times higher than the rate you could be assigned and you pay at the penalty rate for all of 2010. Paying your balance due or filing delinquent report(s) may result in substantial savings in 2010. You must pay all money due and file all reports by January 8, 2010 to avoid a penalty rate. If you have questions about your rate or delinquent reports, please call our office at 406-444-3834 or call your local Field Representative (their names and numbers are listed on the back of this page.)

2010 Taxable Wage Base

The taxable wage base for experience rated employers for calendar year 2010 is \$26,000. The taxable wage base is 80% of the 2008 average annual wage in Montana.

Amending Quarterly Reports

If you made an error on a previously submitted report, you must file an amended report. Please follow these simple steps to correct the mistake:

- Copy the report to be amended
- Check the "amended report" box in Step 1
- Make corrections using red ink. (This helps identify what was originally reported and what should be corrected.)
- Attach a note explaining why the corrections are needed.
- If the changes result in taxes due, please include payment.

If you make an adjustment on line # 7 of your current quarterly report, please attach the amended report to the current report.

UI Claims Filing: Please tell terminated employees to file their Unemployment claim online at: UI4U.mt.gov or to call the claims processing centers at 406-444-2545 (Helena) or 406-247-1000 (Billings). Due to the heavy workload, the claim processing centers' phone lines are very busy, so it is usually quicker to file for benefits online.

WOW (Electronic) Filers

If you file UI reports & make payments online using WOW, please do not send us the UI-5E (payment transmittal form). WOW filers who pay by check may print the UI-5E from WOW. If you wish to discontinue receiving the UI-5E form by mail, notify us by returning the UI-5E with the box checked that you no longer wish to receive the UI-5E or by sending an e-mail to WOW@mt.gov.

Reporting Corporate Officer or LLC Member Compensation

Corporate officers/shareholders or LLC members (if the LLC files income taxes as a corporation, the members are subject to UI) who provide services to their company and receive remuneration from their company, should be reported for reasonable compensation.

Remuneration received by the officer/shareholder or LLC member can include the following:

1. Reported wages as defined in 39-51-201 (23) (a), MCA;
2. Loans to the officer/shareholder unless the loan is to be repaid under a written schedule;
3. Distributions and draws, even though designated as profits or dividends;
4. Third party sick pay if the employer paid the insurance premium; and
5. Cash value of remuneration paid in any medium other than cash; such as groceries, utilities, and the personal use of a company car.

To determine reasonable compensation for the officer/shareholder or LLC member, the following factors may be used:

1. The officer's qualifications and role in the company, including hours worked, position in the company, duties performed, size of the company and the general economic conditions of the area.
2. Comparison of compensation paid by similar companies for comparable services. The best resource is the State Occupational Employment and Wage Estimates located at www.ourfactsyourfuture.org.
3. Review of the company's wage policy for all the company's employees.

Questions about reasonable compensation can be answered by calling a Field Representative at the following numbers:

Billings:	Lisa Barton	247-1009	Helena:	Rick Eldredge	444-1903
	Mary Bernhardt	247-1007			
	Danelle Fogarty	247-1056			
Bozeman:	Richard Gobbs	585-2779	Kalispell:	Joseph Reiner	758-5900
	Brandy McManus	582-7873			
Great Falls:	Amy Everaert	771-6523	Missoula:	Lisa Hamer	329-1438
				Scott Moothart	329-1420
				Chris Wheeler	329-1415

