



Unemployment Insurance Division
Liability and Determination Section
Harriman State Office Campus, Building 12
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www.labor.ny.gov

Important Notice to Employers How to Keep Your Unemployment Insurance (UI) Costs Down

Several factors affect your UI costs. They are:

- UI benefits paid to former employees
- The overall condition of the UI Trust Fund
- Your reporting history

You can take steps to manage these factors and keep UI costs as low as possible.

1. **Submit your quarterly returns and payments on time. Make sure the returns are complete and accurate. Missing or late returns or payments can affect your UI costs in several ways.**

- The Department uses wages reported on the Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return (Form NYS-45) to calculate UI benefit payments for your former employees. Missing or inaccurate returns can result in UI benefit overpayments, which deplete the UI Trust Fund and may result in an increased contribution rate for you. The Department may assess a penalty of \$25 for any missing or inaccurate wage reporting information.
- In addition to penalties, the Department assesses mandatory interest on overdue UI contributions at the rate of 12% per year. The Department cannot credit late contributions (paid more than 60 days after their due date) to your account for calculating UI rates. This may increase your UI rate.
- If you fail to file all required returns by December 31, the Department will estimate wages to calculate a UI rate based on experience. This could increase your future UI rates.
- UI reporting is consolidated with withholding tax and wage reporting through the Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return (Form NYS-45). You may incur penalties for failure to file returns or failure to file complete, accurate, and timely returns. For returns due on or after April 30, 2015, you must electronically file and pay your NYS-45 return. For more information, visit the Department of Taxation and Finance Online Service Center at www.tax.ny.gov.

If you are subject to the FUTA and pay your UI contributions in full by January 31 following the close of the filing year, you will receive a 5.4 percent credit on IRS Form 940, unless NYS has been deemed a credit reduction state by the IRS. If you pay your UI contributions after January 31, your credit is 90 percent of the amount which would have been allowable as a credit had the state contributions been paid on time. You may not take a credit on IRS Form 940 unless the UI contributions are paid. The Re-employment Service Fund contribution you pay may not be used to claim a credit on IRS Form 940.

2. Review notices of benefit entitlement or payment.

The Department will send you a *Notice of Potential Charges* (LO 400) when we determine that a former employee of yours is eligible to collect UI benefits. You can verify that UI benefits paid to former employees are correct based on the wage information. To ensure your account is completely credited, you must report any discrepancy in wage information or disqualifying information on the *Notice of Potential Charges* (LO 400) within 10 calendar days of the date on the notice. In most cases, this information will affect UI benefit payments from the date it is received.

The Department charges UI benefits paid to claimants to the account of the employers for whom the claimant worked. Every UI benefit payment charged to an employer's experience rating account may increase their UI rate in future years. Employers are advised, via the *Notice of Experience Rating Charges* (IA 96), of all UI benefit payments to former employees that are charged to their accounts. This gives you the opportunity to report any UI benefit payments you believe were made incorrectly. If charges appear incorrect for any other reason, contact the Department's UI Liability and Determination Section at the address in the letterhead.

Promptly contact the Department of Labor Telephone Claim Center at 1-888-890-5090 if you believe the claimant is currently working or otherwise not entitled to UI benefits. If you are in a position to re-employ the claimant, contact the claimant directly. You can find the claimant's address on the *Notice of Potential Charges* (LO 400). In order to maximize savings to potential charges on your account, notify us as soon as possible if the claimant refuses rehire, fails to report to work, or if you are unable to contact them.

3. Reply promptly to requests for employment and wage data.

Benefit rates are primarily determined based on wages reported by you on your quarterly return. The Department may ask you to provide wage information for a specific claim. Complete and return this request within 10 days of the mailing date on the form. This information is used to determine UI benefit rights of former employees and to ensure correct experience rating charges. Your response must be timely and accurate or your account may not be relieved of charges.

4. Provide separation notices to employees.

You must give written notice to any employee who is terminated from employment. This notice is required regardless of the reason for separation or whether it is a temporary or permanent separation. You must provide this notice on a *Record of Employment* (IA 12.3) or a form approved by the Department. It must include:

- Employer's name
- New York State Employer Registration Number
- The address to send the *Notice of Potential Charges* (LO 400)
- A statement that tells the employee to have the form available when filing a claim for benefits

You may print a supply of *Record of Employment* (IA 12.3) forms from our web site, www.labor.ny.gov (follow the forms and publications link), or request approval of your own form from the Liability and Determination Section. This form helps ensure that notices and requests are mailed to you promptly and correctly and experience rating charges are accurate.

5. Provide the Department of Labor with proper mailing addresses.

The Department can maintain several business addresses for an employer. If there is a specific address where you want to receive the *Notice of Potential Charges* (LO 400), you must provide that address to the Department. It is important that you promptly notify the Department of an address change. Use the *Change of Business Information* form (IA 15), to ensure accurate processing.

6. Make voluntary contributions.

You can reduce your UI rate by making non-refundable voluntary payments in addition to the regular required contributions. You cannot make voluntary payments if any of the following conditions exist:

- You have not paid all contributions due
- You failed to file all required returns
- You did not make your voluntary payment by March 31st
- You failed to submit any requested information

If we cannot accept your voluntary payment, we will apply it to outstanding liabilities. If there are no liabilities or the payment exceeds the liabilities, the remaining payment may be refunded.

For questions, call the Employer Account Adjustment Section at 1-888-899-8810.

7. Choose the benefit reimbursement option (nonprofit, governmental employers and Indian Tribes).

You have the option of reimbursing UI benefits paid to your former employees and charged to your account if you are:

- A nonprofit organization organized and operated exclusively for religious, charitable, scientific, literary or educational purposes (those exempt under Section 501(c)(3) of the Internal Revenue Code)
- A government entity
- An Indian Tribe

When you choose the UI benefit reimbursement option, you do not pay quarterly contributions on your payroll and you are not required to contribute to the Reemployment Service Fund. For more details about the benefit reimbursement option, including application requirements, request the Benefit Reimbursement pamphlet (IA 318.13) from the UI Registration Subsection.

8. Join the Shared Work program.

Shared work is a voluntary program that gives an alternative to layoffs for employers who have at least two employees and who face a temporary decline in business. You can reduce the hours and wages of all or a group of employees, rather than lay off a percentage of your work force to cut costs. Your employees whose hours and wages are reduced can receive partial UI benefits to supplement their lost wages. The Shared Work Program helps you avoid some of the burdens that follow layoffs. If you keep employees during a temporary slowdown, you can quickly gear up when business conditions improve. This spares employers the expense of recruiting, hiring, and training new employees and spares employees the hardships of full unemployment. More information appears in the Shared Work fact sheet (SW 1), which you can get from the Liability and Determination Section or go to our website www.labor.ny.gov and follow the links to Businesses, Unemployment Insurance, Shared Work Program.

9. Contact the Department of Labor to fill job openings.

The Department acts as a labor exchange agency. We provide comprehensive, free referral and recruitment services for all employers and job seekers. Finding new jobs for workers who collect UI benefits protects the UI fund and helps to hold down contribution rates. Employers can place job orders (openings) by mail, telephone, and fax or on the internet at www.labor.ny.gov. Consult the nearest New York State Career Center at <http://labor.ny.gov/workforcenypartners/osview.asp>

10. Report Unemployment Insurance fraud.

UI fraud increases the financial burden on employers who pay into the system. To keep costs down:

- Ensure UI benefits are paid only to people who qualify
- Liable employers must accurately report and pay their UI contributions

Report suspected instances of fraud to the 24-hour toll-free hotline at (866) 435-1499.

11. Use-// Department of Labor addresses.

You can obtain information about any of these programs on our web site www.labor.ny.gov, or call (888) 899-8810. To view and download forms, follow the forms and publications link at www.labor.ny.gov.

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Telephone Claim Center (TCC) (888) 890-5090