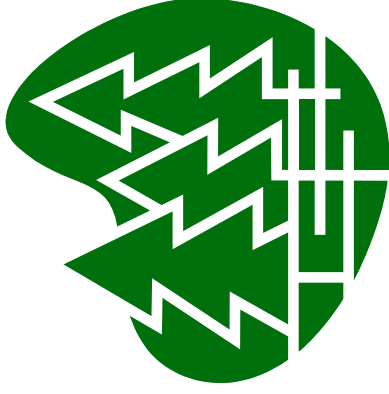


UI Quarterly News

1st Quarter 2005



Reminder: The *UI Quarterly News* is no longer mailed. The most current information regarding unemployment insurance (UI), including current and previous newsletters, is available via the Internet at www.coloradoforce.com/UI/.

Hard copies are available through UI Operations at:

303-318-9100 (Denver-metro area)

1-800-480-8299 (outside Denver-metro area)

Colorado Department of Labor and Employment
Unemployment Insurance Operations

P.O. Box 8789, Denver, CO 80201-8789

303-318-9100 (Denver-metro area)

1-800-480-8299 (outside Denver-metro area)

www.coloradoforce.com/

Bill Owens
Governor



Leroy J. Williams, Jr.
Acting Executive
Director

CHANGES IN TAX RATES FOR 2005

In accordance with the Colorado Employment Security Act (CESA) 8-76-102 (5)(a), the calendar year 2005 combined tax rate includes a solvency tax surcharge for all ratable employer accounts. 2005 is the second year the solvency tax surcharge is being assessed. The solvency tax surcharge is assessed and added to the standard or computed tax rate when the Unemployment Insurance (UI) Trust Fund balance, on any June 30, is equal to or less than nine-tenths of one percent of the total wages reported by all ratable Colorado employers for the calendar year or the four-consecutive quarters prior to the last computation date. The surcharge increases in yearly increments as established by CESA 8-76-102 (5)(a) until the UI Trust Fund balance is greater than nine-tenths of one percent of the total wages. The solvency tax surcharge cannot exceed the rate limits set forth by CESA 8-76-102 (5)(b).

The UI Trust Fund is at a monetary level such that the base tax rate for calendar year 2005 is moving four tax-rate schedules, increasing tax rates for most employers. Notification via Form UIIR-7, Notice of Employer's Tax Rate, was mailed in November 2004. Form UIIR-80, Notice of Tax Rate and Solvency Tax Surcharge for Calendar Year 2005, was included as an insert with the tax-and-wage-report packets for the third quarter of 2004. Form UIIR-80 is also posted on the **UI Tax** home page along with a more detailed explanation of tax rates titled "Solvency Tax Surcharge and Its Impact on Tax Rates for Calendar Year 2005."

NEW TAX RATES

All employers received Form UIIR-7, Notice of Employer's Tax Rate, in November or December 2004. The notice contains your new tax rate for calendar year 2005. Please be sure to use your 2005 tax rate when calculating taxes for the first quarter of 2005.

UPDATE YOUR MAILING AND LOCATION ADDRESSES

In the coming months, Unemployment Insurance (UI) Operations will be mailing important information to the **mailing address** and **location address** of record for all employers. Included in items to be mailed is a personal identification number (PIN), which will be required to perform maintenance functions on your account through our Web site. To ensure that you receive this information, it is important that the **location address** not be for a Power of Attorney or Tax Services Group. To verify that UI Operations has your correct mailing and location addresses, call 303-318-9100, or visit <http://www.coworkforce.com>. Select the **E-Services** link. Then select the **Employer-Change-of-Business-Address** link.

FILE TRANSFER PROTOCOL

The Unemployment Insurance (UI) Program has recently purchased the hardware and software to implement file transfer protocol (FTP) as a means for transmitting data electronically. While the UI Program envisions many applications for this technology, one of the first to be implemented will be to use FTP to allow employers to submit employee-wage data electronically. For employers with many employees, submitting wage data via FTP will be a more efficient and cost-effective alternative to magnetic media and paper.

The UI Program will begin testing the FTP application within the next month. The conversion of employers with large employee bases from magnetic media and paper to FTP should begin midyear. More details on FTP will be provided as the date for implementation approaches.

UPDATE TO FORM UITR-24, INSTRUCTIONS FOR SUBMITTING QUARTERLY WORKER-WAGE DATA

The technology required to process employee-wage data reported on magnetic media, i.e., round magnetic tape, 3480 square magnetic-tape cartridges, and diskette, is becoming outdated. This is especially true in the case of round magnetic tape. Consequently, Unemployment Insurance (UI) Operations is no longer allowing new employers to submit quarterly employee-wage data on round magnetic tape. Instructions for submitting employee-wage data on round tape have been omitted from Form UITR-24, Instructions for Submitting Quarterly Worker-Wage Data. A long-term plan is in place to transition employers from reporting wages on all forms of magnetic media to reporting wages by file transfer protocol (FTP). See the **File Transfer Protocol** update above for more details. Employers who have been reporting employee-wage data on round magnetic tape can continue to do so until filing by FTP becomes available.

These instructions are posted on the Colorado Department of Labor and Employment **E-Services** Web site. Click on [Common Employer Forms](#), and scroll down to locate the Specifications and Instructions for Submitting Quarterly Worker-Wage Data by Magnetic Tape or Diskette. You can also request the instructions by telephone at 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).

INTERNET FILING OF TAX-AND-WAGE REPORTS

After the Benefits release of the State Unemployment Program E-government Resource (SUPER) system, employers will be able to provide wage information for an unlimited number of employees when filing the quarterly tax-and-wage report on the [Colorado Department of Labor and Employment](#) Web site. Currently, you can file wage information for up to 100 employees. With the Benefits release, in addition to the ability to file wages for an unlimited number of employees, **seasonal** employers will have the capability to file tax-and-wage reports online.

EMPLOYER IDENTIFICATION NUMBER

The existing employer account number is being renamed the unemployment identification number (UID). With the release of the State Unemployment Program E-government Resource (SUPER) system, all new correspondence will be designed with the new UID. The current employer account number is 9 digits with a dot and a dash. Two additional digits are added to the UID, for an 11-digit number. The format of the UID is strictly numerical. A dot or dash is not used. (Please note that descriptions of the UID format in previous newsletters included a dot and dash in the example.)

EXAMPLE: If the current 9-digit account reads 123456.78-9, the new 11-digit number will read 01234560789.

NEW TAX-AND-WAGE REPORTS *PLEASE SEE THE ADDENDUM DATED APRIL 15,2005 FOR UPDATED INFORMATION*

If you plan to submit tax and/or wage reports on forms developed by a software vendor for use with the new State Unemployment Program E-government Resource (SUPER) system, we cannot guarantee that Unemployment Insurance (UI) Operations will accept these forms unless the replicated forms have been submitted for testing and approval. Without approval, forms developed by vendor companies cannot be ensured to conform to the requirements of the new SUPER system and may be rejected. It is ultimately your responsibility to submit tax-and-wage reports on forms acceptable to UI Operations.

UI TAX TEAMS MOVING TO 251 EAST 12TH AVENUE

As of May 31, 2005, all Unemployment Insurance Program employees will be located at 251 East 12th Avenue. As of June 1, 2005, employers who would like to address a concern in person will need to visit the new location.

LOBBY CONSTRUCTION AT 251 EAST 12TH AVENUE

The Colorado Department of Labor and Employment's office building at 251 East 12th Avenue is currently undergoing renovations. The lobby area and the waiting area for unemployment insurance (UI) hearings are currently under construction. Individuals scheduled to attend a UI hearing during the construction are encouraged to participate via telephone due to space limitations. If you choose to attend an appeal hearing in person during this time period, please be aware that there will be limited parking and waiting space. The lobby and the UI Appeals waiting area are expected to be available for regular use on May 1, 2005.

SUBMISSION OF FORM UIS-339, REQUEST FOR JOB-SEPARATION INFORMATION

Upon release of the State Unemployment Program E-government Resource (SUPER) system Benefits phase, Form UIS-339, Request for Job-Separation Information from Employer, will replace Form UIB-290, Request for Job-Separation Information. Form UIS-339 will contain a unique correspondence number and bar code. This bar code **cannot** be reproduced or reused; therefore, the original Unemployment-Insurance-Program-generated form **must** be returned.

SUPER SYSTEM UPDATES

Current information about the State Unemployment Program E-government Resource (SUPER) system is available on the **SUPER System Information** Web page. Visit this Web page by clicking on the **SUPER System Information** link that is posted on the **Colorado Department of Labor and Employment** Web site at www.coloradoworkforce.com/UII/.

NOTE FOR SEASONAL EMPLOYERS

In the past, there has been some confusion about seasonal workers and seasonal-employer status. Remember that a worker who works even one day outside your designated seasonal period ceases to be a seasonal worker and could be entitled to receive unemployment insurance benefits based on **all** the wages you have paid during the base period, not only on the wages you have paid outside your seasonal period (Colorado Employment Security Act 8-73-106 [2]). This loss of designation as a seasonal worker is not necessarily permanent. If you employ the worker only during your next two designated seasonal periods, the worker becomes a seasonal worker again. Please be aware that, so long as you comply with the provisions of the law as outlined in the documents you received when seasonal status was granted, you do not lose your status as a seasonal employer even when some of your employees are not considered seasonal workers.

REMINDER

Please do not submit quarterly unemployment insurance tax **payments** that are less than \$5.00. However, quarterly tax-and-wage reports must be submitted regardless of the amount owed.

QUESTIONS OR CONCERNS?

To contact us, call 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area). For tax questions and issues related specifically to your account, send e-mail inquiries to unemp.tax@state.co.us.

Send comments or questions related to the *genesis* Project and the State Unemployment Program E-government Resource (SUPER) system through the *genesis* Employer mailbox at uiemployinginquiry@state.co.us. For issues not related to the SUPER system or the *genesis* Project, please continue to use the unemp.tax@state.co.us e-mail address for faster service. For questions relating to the Colorado Employment Security Act or the Regulations Concerning Employment Security, please send e-mails to unemp.tax@state.co.us.

ADDENDUM (APRIL 15, 2005)

USE OF SOFTWARE VENDOR FORMS APRIL 15, 2005

Vendors of replicated forms will be unable to participate in the testing/approval process for tax and/or wage reports to be used with the new State Unemployment Program E-government Resource (SUPER) system. With the release of the SUPER system, employers who buy forms from vendors will be purchasing forms that are not authorized by the UI Program. Only employers with a large number of employees or tax-service groups who submit completed tax-and-wage reports on behalf of employers will be allowed to participate in the testing/approval process.

The new Form UIS-270, Unemployment Insurance Tax-and-Wage Report, contain scan-line and bar-code data exclusive to a particular employer and a particular quarter. A generic form provided by a forms vendor would not provide the required data. Also, electronic versions of replicated forms provided by a forms vendor would necessitate the form be printed by the employers. Printer output is by no means consistent in terms of quality or placement of data on the page from one brand of printer to another or from one computer configuration to another. Consequently, employers who print replicated forms cannot be assured these forms can be processed by UI Operations. It is ultimately your responsibility to submit tax-and-wage reports on forms acceptable to UI Operations.