

**NO IN-PERSON APPEAL HEARINGS IN DENVER**

The Colorado Department of Labor and Employment's office building at 251 East 12<sup>th</sup> Avenue is currently undergoing renovations. The redesign of the lobby area and the waiting area for Unemployment Insurance (UI) Appeals hearings is finished. However, the hearing offices where hearings are conducted are under renovation. It will take approximately two to three months to complete the remodel.

During the renovation, there are **no in-person hearings** in Denver. Beginning August 1, 2005, the UI Appeals office located in Denver will conduct hearings by **telephone only**. If a party appears in person for a hearing, he or she will not be allowed to participate in person. If the person is the appealing party, the hearing will be dismissed. If the person is not the appealing party, the hearing will be conducted without him or her, providing the appealing party participates timely by telephone.

Once the option to appear at a hearing in person is again offered, the hearing notice will reflect this option.

**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. 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 addresses, call 303-318-9100 or visit [www.coworkforce.com](http://www.coworkforce.com). Select the **E-Services link**. Then select the **Employer-Change-of-Business-Address link**.

**REMINDER**

Please do not pay quarterly unemployment insurance tax-report payments that are less than \$5. Quarterly tax-and-wage reports must be submitted by the due date regardless of the amount owed.

**UI Quarterly News**  
3rd Quarter 2005



**Reminder:** The *UI Quarterly News* is published on the Internet. The most current information regarding unemployment insurance (UI), including current and previous newsletters, is available at [www.coworkforce.com/UI/](http://www.coworkforce.com/UI/).

Hard copies of the *UI Quarterly News* are available through UI Operations at: 303-318-9100 (Denver-metro area) or 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.coloradoworkforce.com](http://www.coloradoworkforce.com)

Bill Owens  
Governor



Rick Grice  
Executive Director

<p><b>2 Events, 1 Day:</b> Tuesday, September 20, 2005 8 a.m. to 5 p.m. Denver Merchandise Mart</p>	
<p><b>Morning Business Forum</b> 8 a.m. to 1 p.m.</p>	<p><b>Afternoon Career Fair</b> 11 a.m. to 5 p.m.</p>
<p><b>Workshops:</b></p> <ul style="list-style-type: none"> <li>Starting your business</li> <li>Growing your business</li> <li>Managing your business</li> </ul> <p><b>Networking opportunities</b></p>	<p><b>Workshops:</b></p> <ul style="list-style-type: none"> <li>Starting your career</li> <li>Growing your career</li> <li>Managing your career</li> </ul> <p><b>Over 100 booths</b></p>
<p><b>Keynote Luncheon</b> Speaker Bill Rancic, "The Apprentice" first season winner, will speak during a plated luncheon. Tickets are available. Registration is limited.</p>	
<p>Registration is required for the morning event.</p>	<p>Registration is <b>not</b> required for the afternoon event.</p>
<p><b>Free Parking • Open to the Public • Résumé Critiquing</b></p>	
<p>If your business has job openings, call for a free booth for the afternoon event. Contact Julie Berge at 303-318-8836.</p>	
<p>For additional information and registration, visit: <a href="http://www.coworkforce.com/wd">www.coworkforce.com/wd</a>.</p>	

## **FILE TRANSFER PROTOCOL**

The Unemployment Insurance (UI) Program has purchased the hardware and software needed to offer 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 planned for implementation is FTP that allows 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. An implementation date for FTP has not been established as it is currently undergoing testing.

## **UNEMPLOYMENT INSURANCE TRUST FUND LEVEL INCREASING**

The monetary level of the Unemployment Insurance (UI) Trust Fund has increased by approximately 65 percent over the past year. The increase is the result of an improved economy and continuing efforts to rebuild the fund in recent years.

The monetary level of the UI Trust Fund directly impacts the tax rates assigned to employers. As the fund level goes up, Colorado statute provides for a gradual annual lowering of the base rate. When the UI Trust Fund reaches an acceptable level of solvency, the solvency tax surcharge will no longer be in effect.

The balance of the UI Trust Fund as of June 30, 2005, was \$220,977,176. This is a significant increase over the balance as of June 30, 2004, which was \$133,879,065.

## **UNEMPLOYMENT INSURANCE TAX RATES FOR 2006**

Due to the increase in the monetary level of the Unemployment Insurance (UI) Trust Fund, there is a decrease in the 2006 base tax rates for many employers. According to the tax rate schedule in the Colorado Employment Security Act (CESA) 8-76-103 (3)(b)(II), the base tax rate is moving two rate schedules.

In accordance with CESA 8-76-102 (5)(a), a solvency tax surcharge (STS) was assigned to ratable employer accounts

beginning in calendar year 2004. This STS is the result of the UI Trust Fund's level of solvency decreasing below a level that ensures the ability of the UI Program to pay UI benefits. The STS is added to the standard or computed rate when the 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 ratable Colorado employers for the calendar year or the most recent available four consecutive quarters prior to the last computation date. In 2006 the STS will be in its third incremental year.

On May 25, 2005, the Governor signed into law House Bill (HB) 05-1208, Solvency Tax Surcharge Modification. HB 05-1208 uses a comparison of the ratio of the UI Trust Fund balance to the total wages reported by ratable employers on June 30, 2005, to the ratio on June 30, 2004, to determine if the 2006 incremental increase is to be credited back for calendar year 2006. For rate year 2006, the UI Trust Fund balance is at a level such that the STS yearly increment is credited back to employers as an adjustment.

You will receive notification of your tax rate for 2006 on Form UITR-7, Notice of Employer's Tax Rate. The Notice of Employer's Tax Rate will be mailed in November 2005.

## **STATE UNEMPLOYMENT TAX ACT DUMPING LEGISLATION**

State Unemployment Tax Act (SUTA) dumping is a tax-avoidance method used by some employers to reduce their unemployment insurance (UI) tax rate. SUTA dumping is a national problem. To address SUTA dumping at the national level, in August 2004 Congress passed and the President signed legislation requiring all states to amend their UI laws to close loopholes used by some employers to avoid paying UI taxes. The Colorado legislature passed and the Governor signed House Bill 05-1092, SUTA Dumping Prevention, which changes Colorado's UI law to close existing loopholes. This legislation allows the UI Program to enforce laws preventing SUTA dumping.

## **CONTINUE TO FILE ON CURRENT TAX-AND-WAGE REPORTS**

The release dates for the benefits and tax implementations of the State Unemployment Program E-government Resource (SUPER) system have yet to be finalized. You will be provided with detailed information about the impact of these releases on the way you do business with Unemployment Insurance (UI) Operations in ample time to make adjustments to your business processes.

In the meantime, please continue to do business with UI Operations in your usual manner, and monitor the progress of implementation by clicking on the **SUPER System Information** link at [www.coworkforce.com/UII/](http://www.coworkforce.com/UII/). This Web page contains any updates to implementation dates.

UI Operations will notify you in advance of the quarter in which you are to begin filing on the new tax-and-wage report. Until you are notified to begin filing on the new tax-and-wage report, please **continue** to file your tax-and-wage report (using the available option of your choice) in the **current manner**.

Please remember to make all checks for UI tax payments payable to the "Colorado State Treasurer."

## **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 to your account, send e-mail inquiries to [unemp.tax@state.co.us](mailto: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 [uiemployerinquiry@state.co.us](mailto:uiemployerinquiry@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](mailto:unemp.tax@state.co.us) e-mail address for faster service.

