# *UI Quarterly News*
## 1st Quarter 2007

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/UIT/; click on **UI Tax Newsletter**. To obtain a hard copy of the *UI Quarterly News*, send an e-mail to unemp.tax@state.co.us or call one of the telephone numbers below.

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.coworkforce.com

**Bill Ritter, Jr.**
**Governor**

**Donald J. Mares**
**Executive Director**

## TAX RATE NOTICES FOR CALENDAR YEAR 2007

Form UITR-7, Notice of Employer's Tax Rate, was mailed to all employers in December 2006. This notice contains your tax rate for calendar year 2007. Please use the 2007 tax rate when calculating taxes for the first quarter of 2007.

## REPORTING WAGE INFORMATION VIA FILE TRANSFER PROTOCOL

The first quarter of 2007 is the last quarter for which employee wage information is being accepted on either round or square magnetic tape. The Unemployment Insurance (UI) Program is now offering file transfer protocol (FTP) as a means to submit wage data. FTP is a fast, secure, and economical way of sending wage information to the UI Program. The FTP server used by the UI Program automatically sets up a secure connection. Wage files are easily uploaded. There is no limit placed on the number of employees or employers that can be reported in a single file, and wage data for prior quarters can be submitted. To send wage information using FTP:

- Wage information must be in the Interstate Conference of Employment Security Agencies (ICESA) format. See Form UITR-24, Instructions for Submitting Quarterly Worker-Wage Data Via File Transfer Protocol, for detailed information about the ICESA format. This form is available at www.coworkforce.com/uit/forms/default.asp.

- One test file must be submitted to ensure the successful transfer of data prior to submitting live wage data.

If you have questions or want additional information about FTP, please call 303-318-9018 and contact Floyd Martinez at Ext. 83260, Debbie Herrera at Ext. 83200, or Curtis Drew at Ext. 83209.

## THE IMPORTANCE OF A TIMELY RETURN OF FORM UIB-290, REQUEST FOR JOB-SEPARATION INFORMATION

The U.S. Department of Labor establishes requirements to guide state unemployment insurance (UI) programs. As part of those requirements, the Colorado UI Program must notify an employer that a UI claim has been filed and provide two separate notices that job-separation information must be submitted to UI Operations in a timely manner. To meet these requirements, each employer included as part of a UI claim will receive:

- Form UIF-290, Notice of Unemployment Insurance Claim, Reported Wages, and Potential Charges, **and** Form UIB-290, Request for Job-Separation Information.

- or -

- Form UIB-634, Notice of Unemployment Insurance Claim Filed, **and** Form UIB-290, Request for Job-Separation Information.

Form UIF-290 or Form UIB-634 notifies you that a UI claim has been filed and that job-separation information must be provided to UI Operations on Form UIB-290. Form UIB-290 is mailed under separate cover. Form UIB-290 notifies you that job-separation information must be provided **and** is the form on which you must provide the job-separation information. Failure to provide the information on the UIB-290 in a timely manner results in the loss of your status as an interested party to the UI claim.

If you have questions regarding the above-mentioned forms, contact UI Operations at 303-318-9055 (Denver-metro area) or 1-800-388-5515, Ext. 89055 (outside Denver-metro area).

## COLORADO EMPLOYMENT SECURITY ACT FOR 2006

Changes to the Colorado Employment Security Act (CESA) were enacted during the 2006 regular legislative session and the 2006 special legislative session. The updated CESA is available online. Go to www.coworkforce.com/UIT/, and click on **Colorado Employment Security Act (CESA)**. See the "Recap of 2006

Legislative Changes" in CESA 2006 for more information.

## VERIFY SOCIAL SECURITY NUMBERS, NAMES, AND IMMIGRATION STATUS OVER THE INTERNET

House Bill 06S-1017 requires employers to document and affirm the legal work status of employees hired on or after January 1, 2007. The bill authorizes the Colorado Department of Labor and Employment to conduct random audits of employers to ensure compliance.

You can verify social security numbers and names of current and former employees over the Internet. This free service is available through the Social Security Administration and can be used only to ensure that the records of current or former employees are correct for the purpose of completing Internal Revenue Service Form W-2, Wage and Tax Statement. The service is available to all employers and third-party submitters of wage data for this purpose. Use of this service helps to ensure that your wage records are accurate. For more information and to use this service, go to www.socialsecurity.gov/employer/ssnv.htm.

The Systematic Alien Verification for Entitlements (SAVE) Program is a service available through the Department of Homeland Security Immigration and Customs Enforcement for verifying an employee's immigration status. To register with the SAVE Program, go to www.uscis.gov/portal/site/uscis. Then, in the left hand column, click on the link labeled **For Employers**.

## THE IMPORTANCE OF CORRECT SOCIAL SECURITY NUMBERS

The Colorado Unemployment Insurance (UI) Program can post employee wages correctly only when you or third-party, payroll-service companies report employee wages under correct employee names and social security numbers (SSNs).

Recording names and SSNs correctly is the key to successful processing of quarterly wage reports. It saves the UI Program processing costs and allows the

proper reporting of the employees' earnings. Accurate posting of the employees' gross wages is important in determining any future UI benefits eligibility.

SSNs cannot begin with the numbers 9, 8, or 000. Any SSN beginning with these digits is not valid according to the Social Security Administration.

## UNEMPLOYMENT INSURANCE TAX CREDITS OR DEBITS

Form UITR-1, Unemployment Insurance Tax Report, has been modified. Previously you were required to write the amount of your tax credit or debit for Item **15**. Beginning with the first quarter of 2007, Unemployment Insurance (UI) Operations prepopulates the box for Item **15** with the current credit or debit amount, if any, shown in the computer system for your account. As of March 1, 2007, **active** employers with a credit balance no longer receive a notification of the credit balance via Form UITR-65, Request for Refund or to Offset Credit Balance, and do not receive a refund warrant. If a credit or debit is shown for Item **15** on your Unemployment Insurance Tax Report, you must subtract the credit from or add the debit to your current balance and pay the new amount due. If the computer system does not reflect a potential credit or debit on your account, then your tax report does not contain Item **15**. Instructions about Item **15** are found on the back of your tax report.

If you requested a refund of a credit prior to March 1, 2007, your request was honored. However, if you request a refund after March 1, 2007, you will be contacted by a UI Operations customer-service representative who will explain the policy change.

As of March 1, 2007, refunds are issued only to inactive employers. Inactive employers are provided with refund information via Form UITR-66, Request for Refund of Credit Balance.

The policy change to discontinue issuing refunds to active employers provides a significant reduction in time required by UI Operations to maintain your account.

You benefit from this time reduction because UI Operations is able to address your needs more timely and efficiently. Those of you who, in the past, have requested refunds are well aware of the delay before receiving your refund. This delay reflects the processing time required to issue refund warrants and shows how time-consuming account maintenance for credits and debits can be. Every Unemployment Insurance Tax Report provides you with your potential credit or debit, if any. This enables you to contribute a quarterly tax payment that more accurately reflects your account balance and helps eliminate the time and expense to process debits and credits.

NOTE: It is important that UI Operations has your current address. Go to www.coworkforce.com/, and click on **Employer-Change-of-Business-Address** to update your address.

## CUSTOMER CONTACT CENTER TELEPHONE-SYSTEM MENU CHANGES

The telephone systems that the Unemployment Insurance (UI) Program uses are in the process of being changed. Eventually, an interactive-voice-response (IVR) system will be in place, as it was in the past. Please pay careful attention to and follow any instructions the system gives when calling the UI Operations Customer Contact Center at 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).

## COMPUTER SYSTEM MODERNIZATION EFFORT

An analysis of the computer system designed during the *genesis* Project, the Project Recovery Assessment (PRA), was completed in January 2007. The effort evaluated three potential options to upgrade our aging legacy computer systems. The options include reuse (modifying another state's system to meet Colorado's needs), rebuild (completing the remnants of the failed *genesis* Project), or rebid (starting from scratch). A decision on whether to move forward and which approach best meets the needs of the Unemployment Insurance Program is forthcoming.