

UI Quarterly News
2nd 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**.

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DELINQUENT UNEMPLOYMENT INSURANCE TAX ACCOUNTS

To avoid an additional unemployment insurance (UI) delinquent-tax penalty for the 2008 tax-rate year, you must pay all delinquent taxes by June 30, 2007.

Form UITD-14, Notice and Demand for Payment, has been eliminated. Data provided on this form was merged onto Form UITR-2, Unemployment Insurance Tax Statement (Tax Statement). If unemployment insurance (UI) benefit charges or tax, interest, and/or penalties were past due, the Notice and Demand for Payment previously served as a second notice. (The Tax Statement served as the first notice.) The Tax Statement **now** serves as the **only** notice and demand for payment regarding delinquent benefit charges or tax, interest, and/or penalties. Please refer to the "Reporting Time Table" on the reverse side of the Tax Statement if you receive it because it provides specific details about paying your taxes timely.

The consolidation of the two forms is cost effective for the UI Program. The UI Program benefits by reducing mailing and printing costs as well as by reducing the time and effort spent processing delinquent accounts. The UI Program is able to address your needs more timely and efficiently by spending less time processing extra forms and mail. In addition, the reduction of paper helps to conserve the environment.

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

NEW COLORADO IMMIGRATION LAW: EMPLOYMENT-VERIFICATION REQUIREMENTS

A new Colorado law (Colorado Revised Statutes 8-2-122 [enacted by House Bill 06S-1017]) concerning employment-verification requirements became effective on January 1, 2007. This law applies to public and private employers in Colorado and to employees hired on or after January 1, 2007.

There are two main components to the law:

- Each employer in Colorado shall make an affirmation of legal work status within 20 days after hiring a new employee (visit: <http://www.coworkforce.com/lab/AffirmationForm.pdf> for a sample affirmation). The employer must keep a written or electronic copy of the affirmation for the term of employment of each employee.

- The employer must keep a written or electronic copy of the employee's identity documents required in 8 United States Code, section 1324a, "Unlawful Employment of Aliens," for the term of employment of each employee. (For information about the employee's identity documents presented for Form I-9, Employment Eligibility Verification, visit www.uscis.gov.)

The documents described above do not have to be submitted to the Colorado Division of Labor (CDOL), unless specifically requested. For more information, contact CDOL at 303-318-8441 or visit www.coworkforce.com/lab/.

Useful resources on this law include:

- A fact sheet, www.coworkforce.com/lab/FactSheet1017.pdf.
- A more detailed comprehensive guide, www.coworkforce.com/lab/CompleteGuide1017.pdf.
- The actual text of the law, www.coworkforce.com/lab/8-2-122.pdf.

NEW COLORADO LAW: RESPONSE TIME FOR JOB-SEPARATION INFORMATION AND APPEALS

House Bill (HB) 07-1285, which becomes effective August 3, 2007, changes the requirements that the Unemployment Insurance (UI) Program uses to determine whether a completed Form UIB-290, Request for Job-Separation Information, is returned timely or an appeal is submitted timely.

Timely Return of Form UIB-290, Request for Job-Separation Information

In accordance with current law, completed Requests for Job-Separation Information that are returned to the UI Program by mail must be postmarked within 12 calendar days of the date that the form is mailed to the employer to be considered returned timely.

In accordance with HB 07-1285, any Request for Job-Separation Information mailed to the employer on or after August 3, 2007, is considered returned timely only if the completed form is **received** by the UI Program within 12 calendar days after it is mailed; the postmark date will **not** be considered in determining timeliness when the Request for Job-Separation Information is returned by mail.

Timely Submission of an Appeal

In accordance with current law, an interested party must appeal decisions and determinations issued by deputies or hearing officers within 15 calendar days after the date the UI Program mails the decision or determination; the 15 calendar days is measured from the date it is **postmarked**, faxed, or delivered in person.

In accordance with HB 07-1285, UI Appeals must **receive** all appeals of deputy decisions mailed on or after August 3, 2007, within **20** calendar days after the date the UI Program mails the decision or determination; the postmark date will **not** be considered in determining the timeliness of an appeal submitted by mail. The Industrial Claims Appeals Office must **receive** all appeals of hearing-officers' decisions mailed on or after August 3, 2007, within **20** calendar days after the date UI Appeals mails the decision; the postmark date will **not** be considered in determining the timeliness of an appeal submitted by mail.

NOTIFICATION OF 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 the UI Program in a timely manner. To meet these requirements, each employer involved in 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 the UI Program on Form UIB-290, which is mailed separately. 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.

UNEMPLOYMENT INSURANCE TAX CREDITS OR DEBITS

Form UITR-1, Unemployment Insurance Tax Report (Tax Report), has been modified. Previously you were required to write the amount of your tax credit or debit balance for Item **15**. Beginning with the first quarter of 2007, Unemployment Insurance (UI) Operations populates the box for Item **15** with the current credit or debit amount that exists in the computer system at the time the Tax Report is printed. 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 amount is shown for Item **15** on your 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 amount on your account, then your Tax Report does not contain a line for Item **15**. Instructions about Item **15** are found on the back of your Tax Report.

If you requested a credit refund 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 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.

REPORTING WAGE INFORMATION VIA FILE TRANSFER PROTOCOL

The first quarter of 2007 was the last quarter for which employee wage information was accepted on either round or square magnetic tape. The Unemployment Insurance (UI) Program now offers file transfer protocol (FTP) as a fast, secure, and economical way of sending wage information. The FTP server automatically sets up a secure connection, and 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.

BENEFITS OF THE UNEMPLOYMENT INSURANCE PROGRAM

Employers play a vital part in stabilizing the economy by contributing unemployment insurance (UI) taxes to the UI Trust Fund. The payment of UI benefits provides income support to millions of unemployed workers every year as it offers temporary income to unemployed workers who meet the entitlement and eligibility requirements defined in the Colorado Employment Security Act. The payment of UI benefits:

- Safeguards the income of the worker and provides economic stability.
- Is an important factor in recovery during a recession and helps prevent a sharp drop in consumer spending, thus averting a possible full-scale depression.
- Helps to maintain purchasing power and prevents the secondary unemployment of people who provide goods and services that workers purchase.
- Helps to maintain skill levels of the labor force. Unemployed workers who receive weekly UI benefit payments can afford to take a reasonable amount of time to find a job in their customary occupation instead of accepting work at a lower skill level to meet living expenses.