

UI Quarterly News 3rd Quarter 2008

REMINDER: The *UI Quarterly News* is published on the Internet. The most current information regarding unemployment insurance, including current and previous newsletters, is available at www.coworkforce.com/UIT/; click on **UI Tax Newsletter**.

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COLORADO LEGISLATION CONCERNING ELECTRONIC VERIFICATION PROGRAM

Senate Bill (SB) 08-139 became law on August 5, 2008, and requires the Colorado Department of Labor and Employment (CDLE) to inform employers of the federal law (8 U.S. Code Section 1324a) against hiring or continuing to employ an unauthorized alien. The work status of new employees can be verified using the Electronic Verification Program (E-Verify), administered by the U.S. Department of Homeland Security in partnership with the Social Security Administration. Conducting an E-Verify query involves matching a social security number and other information reported on Form I-9, Employment Eligibility Verification, to government records.

E-Verify can only be used after an individual accepts an offer of employment and after the new hire and employer complete Form I-9, Employment Eligibility Verification. Employers must initiate a search on E-Verify within three business days of the new hire's actual start date. E-Verify cannot be used to verify the work-eligibility status of existing employees. If an employer elects to use E-Verify, it must be used to verify the work status of all new hires, regardless of national origin or citizenship, and may not be used selectively.

As with all current employee-verification programs, E-Verify is not completely accurate. An employee has recourse available if he or she is legally documented to work in the U.S. but the employer receives a final notice of nonconfirmation of work eligibility for the employee through E-Verify. Visit the **U.S. Citizenship and Immigration Services** Web site at <http://www.uscis.gov/portal/site/uscis>, and click on **E-Verify** then **For Employees** for more information.

It is unlawful for employers to engage in unfair or

discriminatory practices in the use of E-Verify (Colorado Revised Statutes [CRS] 24-34-402).

Additional information is also available on the CDLE Web site on the **Electronic Verification Program** Web page at <http://www.coworkforce.com/UIT/ElectVerProg.asp>.

NEW LAW GOVERNING EMPLOYEE LEASING COMPANIES

If you are an employee leasing company (ELC), also known as a professional employer organization, or a work-site employer that receives services from an ELC, there is a new law that affects you.

SB 08-114 became law on August 5, 2008, and requires an ELC to complete and submit Form UITL-70, Application for Certification as an Employee-Leasing Company, by October 6, 2008, to conduct business in Colorado. The requirements of SB 08-114 are in addition to the current leasing law found in the Colorado Employment Security Act (CESA) 8-70-114. CESA 8-70-114 is being revised to incorporate SB 08-114. Please read all sections. The new version of CESA will be available in late 2008.

CESA 8-70-114 requires ELCs to pay wages and collect, report, and pay all payroll-related taxes from their accounts for all covered employees, including unemployment insurance (UI) taxes. During 2008 ELCs will continue to submit their tax and wage reports under the account numbers that are currently used. The ELCs' responsibility for reporting and paying UI taxes under their own account numbers must begin with all wages paid on or after January 1, 2009. ELCs can no longer use the account number for the work-site employer or client. Additional information is also available on the CDLE Web site on the **Employee-Leasing-Companies** Web page at <http://www.coworkforce.com/UIT/>

[EmpLeasLeg.asp](#).

NEW LAW GOVERNING CONTRACTS FOR SERVICES WITH PUBLIC ENTITIES

Effective May 13, 2008, contractors who enter into or renew a public contract for services with Colorado state agencies or political subdivisions must participate in either the federal E-Verify program or the newly created CDLE Department Program. The option to enroll in the new Department Program instead of E-Verify was created by SB 08-193, which amended the Public Contracts for Services and Illegal Aliens Law, CRS 8-17.5-101 and 102.

Additional information is available on the CDLE Web site on the **Colorado Immigration Law** Web page at <http://www.coworkforce.com/lab/pcs/>.

NEW LAW CONCERNING WORKPLACE ACCOMMODATIONS FOR NURSING MOTHERS

Effective August 5, 2008, public and private employers who have one or more employees shall provide reasonable unpaid break time or permit an employee to use paid break time, meal time, or both, each day to allow the employee to express breast milk for her nursing child for up to two years after the child's birth.

In addition, an employer shall make reasonable efforts to provide a room or other location in close proximity to the work area, other than a toilet stall, where an employee can express breast milk in privacy.

Additional information on the law or information on how to make accommodations is available on the CDLE Web site on the **Nursing Mothers in the Workplace Law** at <http://www.coworkforce.com/lab/nursingmothers.asp>.

EMERGENCY UNEMPLOYMENT COMPENSATION

The U.S. Congress passed a law authorizing the payment of up to 13 weeks of Emergency Unemployment Compensation (EUC) benefits for eligible, unemployed individuals for weeks beginning on or after July 6, 2008. CDLE is contacting individuals who may qualify for EUC and giving them filing instructions. Unemployed claimants whose regular benefits have exhausted or whose benefit year has expired are potentially eligible for EUC benefits. EUC is federally funded; the payment of EUC benefits does not impact employer charging.

Additional information is available on the CDLE Web site

on the **Emergency Unemployment Compensation** Web page at <http://www.coworkforce.com/UIB/EUC.asp>.

WORKFORCE DEVELOPMENT MONTH

The statewide network of Colorado Workforce Centers provides a variety of free services to assist employers and job seekers alike. September is Workforce Development Month, and throughout the state, Workforce Centers are hosting a variety of activities for job seekers and their business customers. Additional information on how the Workforce Center can assist you and your business needs is available on the **Workforce Development** Web page at <http://coworkforce.com/wd/Default.asp> or contact your local Workforce Center and ask to speak with a Business Service Representative.

REPORTING REQUIREMENTS FOR COLORADO LIABLE EMPLOYERS

As a Colorado liable employer, you must file both a quarterly tax report and quarterly wage report for your assigned UI account using the following methods:

- Tax reports can be filed via the Internet in lieu of paper filing.
- Wage reports can be filed via the Internet, file transfer protocol (FTP), paper, or diskette.
- The preferred method of filing wage reports for employers with 80 or more employees is via FTP. For FTP information, visit the **Quarterly Wage Reporting File Transfer Protocol Information** Web page at <http://www.coworkforce.com/UIT/FTP/ftp.asp>.
- The preferred method of filing wage reports for employers with less than 80 employees is on the Internet. To file on the Internet, go to the **Unemployment Insurance Quarterly Tax-and-Wage Report** Web site at <https://secure.cdle.state.co.us/wagetax/>.

NOTE: You must file a tax report if you have an active account even if you have not paid employee wages in the quarter. In this case, you will file a zero tax report and skip the wage report.

UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

The monetary level of the UI Trust Fund has increased over the past year as a result of continuing efforts to rebuild the fund.

The monetary level of the UI Trust Fund directly impacts the tax rates assigned to employers. As the fund level increases, 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 (STS) will no longer be in effect. The STS will remain in effect for 2009. Refer to the article titled "Solvency Tax Surcharge for 2009" for a more detailed explanation.

The balance of the UI Trust Fund as of June 30, 2008, was \$699,838,090. This is an increase over the balance as of June 30, 2007, which was \$601,786,037.

SOLVENCY TAX SURCHARGE FOR 2009

In accordance with CESA 8-76-102 (5)(a), an 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.

The STS was assessed to employers for calendar rate years 2004-2008.

As of June 30, 2008, the UI Trust Fund balance was eight-tenths of one percent of the total wages reported by ratable Colorado employers. The STS triggers on when the ratio of the fund balance to private wages is less than or equal to nine-tenths of one percent. Since the UI Trust Fund balance is less than nine-tenths of one percent of the total wages reported by ratable Colorado employers, the STS will be assessed for rate year 2009. The STS for all new employer accounts or reinstating employer accounts that have lost their chargeability is 0.006.

Additional information about the STS for calendar rate year 2008 is also available on the CDLE Web site on the Solvency Tax Surcharge Web page at <http://www.coworkforce.com/UIT/STS/default.asp>. In September 2008 updated information about the STS for calendar year 2009 will be available.

UNEMPLOYMENT INSURANCE TAX RATES FOR 2009

Because of the increase in the monetary level of the UI Trust Fund, the 2009 base tax rates for many employers will remain unchanged. According to the tax-rate schedule in CESA 8-76-103 (3)(b)(II), the base tax rate will remain at the lowest base rates attainable (see column heading "450 Million Plus").

You will receive notification of your tax rate for 2009 on Form UITR-7, Notice of Employer's Tax Rate. The Notice of Employer's Tax Rate will be mailed in November 2008.

THE COLORADO AUTOMATED PAYMENT CARD

The UI Program has partnered with Chase Bank to change the way UI benefit payments are issued. Instead of mailed checks as the method of payment, all UI benefits are electronically deposited to a Visa® debit card referred to as the Colorado Automated Payment (CAP) Card. The CAP Card improves upon the traditional delivery system by offering recipients added convenience and security. The CAP Card also provides cost savings and improved efficiencies that benefit taxpayers. The costs associated with warehousing check stock and printing, metering, and mailing checks are eliminated, cutting costs by an estimated amount of \$251,895 within the first year.

By providing electronic payments to recipients, the CAP Card supports an objective in the Governor's executive order requiring state government to be environmentally aware and reduce paper consumption.

Additional information about the CAP Card can be accessed on the **Colorado Automated Payment (CAP) Card** Web page at <http://www.coworkforce.com/uib/capcard.asp>.

EMPLOYER HANDBOOK NO LONGER MAILED TO NEW ACCOUNTS

In accordance with greening efforts and availability of enhanced online publications, Publication UI-266, *Unemployment Insurance Handbook for Employers* (Employer Handbook), is no longer automatically mailed to all employers establishing new accounts. Form UITL-3, Notice of Employer Liability and Unemployment Insurance Account Number, and Poster 502, Notice to Workers, are still mailed to all employers establishing new accounts.

Although employers are encouraged to use the online publication, an employer can order a hard copy by sending an e-mail with the employer name and address to UI

Operations at unemp.tax@state.co.us.

OTHER-PAY DECISIONS ARE NOT ISSUED IN ALL CASES

As you may already be aware, Form UIB-6, Notice of Decision, is not always issued when the claimant and you agree that the reason for separation was because of lack of work or layoff. Form UIB-290, Request for Job-Separation Information, has been changed to notify you that you may not receive a Notice of Decision on matters of other pay that have no impact on a claim (such as vacation pay prior to the claim effective date).

The change in procedure was made to save your having to read unnecessary mail and to reduce postage costs.

NOTE: You will always receive a decision on severance allowance.

FORM UITR-1, UNEMPLOYMENT INSURANCE TAX REPORT, DEBIT/CREDIT CHANGE

Form UITR-1, Unemployment Insurance Tax Report (Tax Report), populates **potential** debit or credit amounts reflected in the UI tax system. A debit or credit amount is listed under Item **15** on your Tax Report. You must check your records to verify that the debit or credit is valid at the time you receive the Tax Report. This enables you to more accurately contribute a quarterly tax payment that reflects your account balance and helps eliminate the time and expense to process debits and credits. Read the instructions for Item **15** ("Debit or Credit Amount") on the back of the Tax Report.

NOTE: If Item **15** does not appear on your Tax Report, you may not have a potential debit or credit.

LIABLE EMPLOYERS IN COLORADO

UI Operations cannot assign a Colorado employer account number until the employer becomes liable. Employers who are found not liable to pay UI taxes will have their Colorado Business Registration returned. For guidelines on how an employer becomes liable, please refer to "Who Must Pay Unemployment Insurance Taxes?" in the Employer Handbook at <http://www.coworkforce.com/UIT/EmployersHandbook/default.asp>.

CORRECT MAILING ADDRESS AND BUSINESS STATUS CHANGES

Regulations Concerning Employment Security 7.2.7 requires that address or ownership changes are reported within ten days. Prompt notification of address changes helps to ensure you receive important forms and

information regarding UI taxes in a timely manner. It also ensures you are notified when former employees file a UI claim.

To update your address online for location, mailing, benefit mailing, owner, or bank information, go to **Unemployment Insurance Employer-Change-of-Business-Address** Web site at <https://secure.cdle.state.co.us/BusInfoChg/>.

You can also change your mailing address by downloading Form UITL-2, Employer Change Request, at www.coworkforce.com/UIT/forms/UITL_2EmpChgReq.pdf. Then follow the instructions to complete, sign, and return the form.

If you have sold your business or changed the status of your business, you **must** download the Employer Change Request. Follow the instructions to complete, sign, and return the form. If you do not have access to the Internet, call the Customer Contact Center at 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).

QUESTIONS OR CONCERNS?

For UI tax questions and issues related to your account, e-mail UI Operations at unemp.tax@state.co.us. You may also call 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).