

*UI Quarterly News*  
4th Quarter 2008  
**Colorado Department of Labor and Employment**  
**Unemployment Insurance Operations**  
[www.coworkforce.com](http://www.coworkforce.com)

Bill Ritter, Jr.  
Governor



Donald J. Mares  
Executive Director

### **COLORADO EMPLOYMENT SECURITY ACT FOR 2008**

The Colorado Employment Security Act (CESA) now contains changes enacted during the 2008 legislative session. The 2008 CESA is available [online](#). See the "Recap of 2008 Legislative Changes" section in this revised CESA for more information.

### **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.

You can only use [E-Verify](#) after an individual accepts an offer of employment and after you and the new hire complete Form I-9, Employment Eligibility Verification. You 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 you elect to use [E-Verify](#), you must use the program to verify the work status of all new hires, regardless of national origin or citizenship. You may not use [E-Verify](#) selectively.

As with all current employee-verification programs, [E-Verify](#) is not completely accurate. In those instances when [E-Verify](#) does not provide a final confirmation of work eligibility, an employee has recourse available if he or she is legally documented to work in the U.S. Visit the [U.S. Citizenship and Immigration Services](#) Web site, click on [E-Verify](#), and then on [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 24-34-402).

Additional information is also available on the CDLE Web site on the [Electronic Verification Program](#) Web page.

### **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 have been changes to the Colorado Employment Security Act ([CESA](#)) [8-70-114](#) that affect you.

[SB 08-114](#) became law on August 5, 2008, and requires an ELC to be certified in order to conduct business as an ELC in Colorado. The Unemployment Insurance (UI) Program mailed an Application for Certification packet to all known ELCs in September. The packet contains Form UITL-71, Application for Certification as an Employee-Leasing Company (Application for Certification). An ELC must submit a completed Application for Certification before the UI Program considers certification of the agency. In addition, ELCs are required to submit proof of sufficient funds to pay UI taxes for the work-site employers.

The 2008 version of CESA incorporates the requirements of [SB 08-114](#) into the previous leasing law. [CESA 8-70-114](#)

requires ELCs to pay wages as well as collect, report, and pay all payroll-related taxes from their accounts for all covered employees, including UI taxes. 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, 2010. ELCs can no longer use the account number for the work-site employer or client after that date.

Additional information, including the Application for Certification, is available on the CDLE Web site on the [Employee Leasing Companies](#) Web page.

#### **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](#).

For more information, visit the [Colorado Immigration Law](#) Web page on the [CDLE](#) Web site.

#### **COLORADO PERFORMANCE EXCELLENCE TIMBERLINE AWARD**

On November 7, 2008, the [Colorado Performance Excellence](#) (CPEX) program presented the UI Program with the [Timberline Performance Award](#). CPEX is a statewide program dedicated to enabling Colorado organizations to evolve and succeed through the application of effective principles and practices directed to systematic performance improvement.

The UI Program has been using the CPEX program since October 2005 as a tool to develop an aligned approach to the UI Program's performance management. Each year representatives from CPEX conduct an on-site examination of the UI Program's business practices and provide a critical assessment. In 2006 the UI Program was presented with the [CPEX High Plains recognition](#) and in 2007 received the [Foothills Performance Award](#).

CPEX recently provided a feedback report identifying the UI Program's outstanding strengths and practices. Most importantly, the report identified areas the UI Program should address in order to improve its delivery of services to customers and to make the agency an enjoyable place to work.

#### **GREENING OF STATE GOVERNMENT**

The UI Program strives to implement Executive Orders D0011 07 and D0012 07, Greening of State Government. The UI Program monitors the following measures to achieve the desired results.

#### **Summary of Measures**

<b>Measure</b>	<b>State Fiscal Year 2008/09</b>
Reduce energy consumption (electricity and heating fuels) by 20 percent by state fiscal year (SFY) 2012	Targeted 5 percent
Adopt a goal of "zero waste" from construction of new buildings and the operation and renovation of existing facilities	Targeted 50 percent reuse
Reduce paper consumption by 20 percent as of SFY 2012	Targeted 5 percent
Reduce water consumption by 10 percent as of SFY 2012	Targeted 2 percent

#### **EMERGENCY UNEMPLOYMENT COMPENSATION**

On June 30, 2008, the President signed House Resolution 2642 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. The U.S. Department of Labor funds EUC; consequently, the payment of EUC benefits does not affect employer charging.

In November 2008, President Bush signed into law a bill that provides up to seven additional weeks of EUC to eligible, unemployed individuals. The first payable week for this extension of EUC is the week of November 23–29, 2008. Because of high call volumes, please do not call customer service with questions about the extension of EUC. As was

done with the initial EUC, CDLE will contact all potentially eligible individuals with filing instructions. For more information, visit the [Emergency Unemployment Compensation](#) Web page on the [CDLE](#) Web site.

## **LIABLE EMPLOYERS IN COLORADO**

The UI Program cannot assign a Colorado employer account number until the employer becomes liable. Employers found not to be liable to pay UI taxes will have their Form CR 0100, Colorado Business Registration, returned. For guidelines on how an employer becomes liable, refer to "[Who Must Pay Unemployment Insurance Taxes?](#)" in the [Employer Handbook](#).

## **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 [Unemployment Insurance Tax](#) Web page and click on [File Your Wage Report—FTP](#).
- 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 Tax](#) Web page and click on [File Your UI Tax/Wage Report—Internet](#).

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 because 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 to 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. 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.

For information about the STS for calendar year 2009, visit the [Unemployment Insurance Tax](#) Web page and click on [2009 Solvency Tax Surcharge](#). The Web page provides updated information about the STS for calendar year 2009.

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

Form UITR-1, Unemployment Insurance Tax Report (Tax Report), populates debit or credit amounts reflected in the UI

tax system at the time the Tax Report is printed. 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. Read the instructions for Item **15** ("Debit or Credit Amount") on the back of the Tax Report.

Employers are encouraged to apply the debit or credit when completing the Tax Report or to encourage their employer representatives to do the same. Applying the debit or credit amount will allow you to contribute a more accurate quarterly tax payment that reflects your account balance and helps eliminate the time and expense to process debits and credits.

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

#### **OTHER-PAY DECISIONS ARE NOT ISSUED IN ALL CASES**

As you may already be aware, the UI Program does not always issue Form UIB-6, Notice of Decision, when you and the claimant agree that the reason for separation is a 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 UI Program made the change in procedure to save you from reading unnecessary mail and to reduce postage costs.

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

#### **CORRECT MAILING ADDRESS AND BUSINESS STATUS CHANGES**

[Regulations Concerning Employment Security 7.2.7](#) require 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. Prompt notification also ensures that the UI Program can contact you 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.

You may also download Form UITL-2, [Employer Change Request](#). 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](#). You may also call 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).