

**UI Quarterly News**  
4th Quarter 2009  
**Colorado Department of Labor and Employment**  
**Unemployment Insurance Program**  
[www.colorado.gov/cdle/ui](http://www.colorado.gov/cdle/ui)

Bill Ritter, Jr.  
Governor



Donald J. Mares  
Executive Director

**UNEMPLOYMENT INSURANCE TRUST FUND BALANCE**

The monetary level of the Unemployment Insurance (UI) Trust Fund (Fund) as of June 30, 2009, was \$339,870,078. This is a decrease over the balance as of June 30, 2008, which was \$699,838,090, and is a result of an increased number of UI benefits paid over the past year. The solvency surcharge remains in effect for calendar year 2010.

**UNEMPLOYMENT INSURANCE RATES FOR 2010**

Because of the decrease in the monetary level of the Fund, the 2010 base rates for many employers will increase slightly. According to the rate schedule in [CESA 8-76-103 \(3\)\(b\)\(II\)](#), the base rate is moving three columns to the right under column heading **306 to 342 Million**. The base rate for most new employers remains unchanged at 0.017.

You will receive notification of your rate for 2010 on Form UITR-7, Notice of Employer's Rate. You may begin using your 2010 assigned rate with your first quarter 2010 filing.

**SOLVENCY SURCHARGE FOR 2010**

In accordance with Colorado Employment Security Act ([CESA 8-76-102 \(5\)\(a\)](#)), a [solvency surcharge](#) was assigned to ratable employer accounts beginning in calendar year 2004. The solvency surcharge is assessed to help ensure the Fund continues to allow the UI Program the ability to pay UI benefits. The solvency surcharge is added to the standard or computed rate when the 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 solvency surcharge was assessed to employers for calendar rate years 2004-2009.

As of June 30, 2009, the Fund balance was 0.392 percent of the total wages reported by ratable Colorado employers. The solvency surcharge 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 Fund balance is less than nine-tenths of one percent of the total wages reported by ratable Colorado employers, the solvency surcharge will be assessed for rate year 2010. The solvency surcharge yearly increment for all new employer accounts or reinstating employer accounts that have lost their chargeability is 0.006.

**COLORADO EMPLOYMENT SECURITY ACT FOR 2008 AND 2009**

CESA contains changes enacted during the 2008 legislative session and is available online. See the "Recap of 2008 Legislative Changes" section in this revised CESA for more information.

CESA 2009 will be available online by the end of January 2010 and will contain changes enacted during the 2009 legislative session.

## **EMPLOYERS TO PAY PREMIUMS, PREMIUM SURCHARGES, AND A SOLVENCY SURCHARGE INSTEAD OF TAXES**

[House Bill \(HB\) 09-1363](#) became law on July 1, 2009, replacing references in CESA for “taxable payroll,” “taxable wages,” and “taxes,” with “chargeable payroll,” “chargeable wages,” and “premiums,” respectively. References to “tax” or “taxes” were replaced by “premium” or “premiums” throughout Articles 70 to 82. These changes do not affect an employer’s quarterly reporting and payment requirements for UI purposes. The UI Program will continue updating its Web site, publications, forms, and other applicable information to reflect these changes in terminology.

## **LAW CONCERNING THE MISCLASSIFICATION OF EMPLOYEES**

[HB 09-1310](#) became law on June 2, 2009, adding a new section of law under CESA 8-72-114. HB 1310 creates:

- A complaint process available to anyone wishing to report the misclassification of employees.
- Penalties for employers who engaged in the misclassification of employees.
- An advisory opinion process available to employers seeking advice on proper classification.
- A two-year statewide study on the issue of employee misclassification to be conducted by the Colorado Department of Labor and Employment (CDLE).

To file a complaint or request an advisory opinion, contact UI Audits by:

- E-mail, [UITA.CDLE@state.co.us](mailto:UITA.CDLE@state.co.us)
- Fax, (303) 318-8189
- Mail, Colorado Department of Labor and Employment, Unemployment Insurance Audits, PO Box 46538, Denver, CO 80201-6538.

## **LAW GOVERNING EMPLOYEE LEASING COMPANIES**

Legislation passed in 2008 made changes to [CESA 8-70-114](#) affecting employee-leasing companies (ELC), also known as a professional employer organizations, or work-site employers that receive services from an ELC. Under this legislation, an ELC is required to be certified in order to conduct business as an ELC in Colorado.

The UI Program mailed an Application for Certification packet to all known ELCs in September 2008. The packet contains Form UITL-71, Application for Certification as an Employee-Leasing Company (Application for Certification). An ELC should have submitted a completed Application for Certification by March 23, 2009, for the UI Program to consider certification of the agency. If the application has not been submitted contact the UI Program immediately via e-mail at [UI.Leasing@state.co.us](mailto:UI.Leasing@state.co.us).

The previous revisions to [CESA 8-70-114](#) regarding the ELC’s responsibility for reporting and paying UI premiums still apply.

As of August 2009 [CESA 8-70-114](#) requirements for ELCs changed again. [Senate Bill \(SB\) 09-258](#) holds ELCs responsible for the payment of UI premiums but gives them the option of reporting and paying the premiums as the employing unit or under the accounts of the work-site employers.

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

## **EMERGENCY UNEMPLOYMENT COMPENSATION**

Once an individual exhausts regular UI benefits, additional federal benefits called Emergency Unemployment Compensation (EUC) are available. Claimants may qualify for up to 47 additional weeks of EUC benefits. The payment of EUC benefits does not affect an employer's rate.

### **State Extended Benefits**

On June 2, 2009, Governor Ritter signed Senate Bill 09-247 to increase the number of weeks of UI benefits under State Extended Benefits (SEB). SEB funds are added after all regular UI and EUC benefits are paid. The payment of SEB does not affect an employer's rate. The number of SEB weeks added depends on the average TUR. If the average TUR reaches:

- 6.5 percent, up to 13 weeks of additional benefits may be paid.
- 8 percent, up to 20 weeks of additional benefits may be paid.

### **2009 LEGISLATION SUMMARY**

A summary of 2009 legislation is available for employers. The [2009 legislation summary](#) contains hyperlinks to the complete language of each bill, a brief summary of each bill, and its impacts to employers.

### **RAPID RESPONSE SERVICES**

The state Rapid Response Team serves companies facing corporate restructuring and downsizing. The Rapid Response Team is a cooperative effort between the local Workforce Centers, CDLE, and the UI Program. The services available are free and designed to benefit employers and employees through the provision of information about the Dislocated Worker Program and other useful information and assistance with employment-related needs. If you need information about the Worker Adjustment and Retraining Notification (WARN) Act, or other programs and services available to you through CDLE, you can access the [Layoff Transition Services](#) Web site.

### **ADDITIONAL TELEPHONE NUMBERS**

A telephone line was created for each group to ensure better service and accessibility. The number to file a new claim is 303-318-9123 (Denver-metro area) and 1-866-422-0401 (outside Denver-metro area). These numbers should be used by all callers needing to file a new UI claim. The Spanish number is 303-318-9333 (Denver-metro area) and 1-866-422-0402 (outside Denver-metro area). These numbers should be used by all Spanish-speaking claimants.

### **REPORTING REQUIREMENTS FOR COLORADO LIABLE EMPLOYERS**

As a Colorado liable employer, you must file quarterly UI reports for your assigned UI account using the following methods:

- [Quarterly reports](#) can be filed via the Internet or by paper.
- [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 100 or more employees is via FTP. For FTP information, click on [FTP wage report](#).
- The preferred method of filing wage reports for employers with less than 100 employees is on the Internet. To file on the Internet, click on [File your tax and/or wage report](#).

NOTE: You must file a quarterly 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 quarterly report and skip the wage report.

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

[Regulations Concerning Employment Security 7.2.7](#) require you to report address or ownership changes within ten days. Prompt notification of address changes helps to ensure you receive important forms and information regarding UI premiums 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 the [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 Employer Services Center at 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).

## **QUESTIONS OR CONCERNS?**

For UI premium questions and issues related to your account, e-mail [UI Employer Services](#). You may also call 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).