

UI Quarterly News
2nd Quarter 2010
Colorado Department of Labor and Employment
Unemployment Insurance Program
www.colorado.gov/cdle/ui

Bill Ritter, Jr.
Governor



Donald J. Mares
Executive Director

Using Data-Capture Technology for EMPLOYER FORMS

We encourage you to use **our** Request for Facts About a Former Employee's Employment form (formerly called the Request for Job-Separation Information From Employer or UIB-290). We are using data-capture technology to increase our efficiency and save taxpayer money. When you send your version of the Request for Facts form in place of our form or attached to our form, we cannot take advantage of that technology.

We will soon use the same technology on other forms. We will ask you to use our version of those forms also.

You can find additional details on our Web site. Visit www.colorado.gov/cdle/ui, click on **Businesses & Employers**, select **Information**, and then click on **Changes to Form Requirements**.

WORK SHARE

The Work-Share Program gives you an alternative to laying off your employees. It allows you to let your employees keep working, but with fewer hours. If the unit's hours are reduced between 10 and 40 percent, we pay them part of their regular unemployment benefits.

You figure out by how much you have to reduce the work unit's hours. Your employees share the remaining hours as part of the work-share plan. All your employees can be in the Work-Share Program, or employees from a certain unit can be in the Program. It depends on your needs for your employees.

To find out if you could benefit from enrolling in the Work-Share program and to print an application, visit www.colorado.gov/cdle/ui, click on **Businesses & Employers**, select **Information**, and then click on **Work Share**.

CHANGING EMPLOYER-RELATED TERMS (HOUSE BILL 09-1363)

A 2009 law changed the language we use. By law, we no longer use "tax" and "taxable." Instead of "tax," we now use "premium." Instead of "taxable payroll," we now use "chargeable payroll," and instead of "taxable wages," we now use "chargeable wages." This new law does not change how you report quarterly or pay your premiums.

We have been making changes to our Web site, publications, forms, and other information. We have not finished making changes to everything we need to change. To see our progress with these changes, click on [HB-1363 Project](#).

KEEPING (MAKING) IT PLAIN

In December 2009, we began a new project called the Plain-Language Project. Our goal is to remove jargon from our communications and to make our correspondence more relaxed. Over the next year or so, you will receive forms and letters written the new way. You will also receive forms and letters written the old way. By the time the project is finished, we will have changed every form and letter. We hope to make

it easier for you to understand what we need from you and how the program works. Please be patient with us as we complete this process.

The first major product of the Plain-Language Project is the claimant handbook, now called *Your Guide to Unemployment and Getting Paid Benefits*. We changed several forms as part of the Plain-Language Project. You may notice some differences in the forms we send you when a former employee signs up for unemployment.

We are now working on the *Employer Handbook*. We hope to have it done in the fall. Along with the *Employer Handbook*, we are working on many of the forms and decisions you receive from us.

UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

The Unemployment Insurance Trust Fund (also called *the Fund*) had \$ 339,870,078 on June 30, 2009. This is a less than the balance as of June 30, 2008, which was \$699,838,090. (By law, we have to check the balance on June 30 of every year.) We pay unemployment benefits from the fund.

We paid a lot more unemployment benefits over the past year than in the year before. This caused the fund to have less money in it. Because of the level of the fund, your rates may have gone up slightly. You also must still pay the solvency surcharge in 2010. See the next two articles about rates and the solvency surcharge.

RATES FOR 2010

We had to slightly raise the 2010 base rate for many employers (see the last article). The [Colorado Employment Security Act 8-76-103 \(3\)\(b\)\(II\)](#) shows the rate table. We are using the rates in the column headed **306 to 342 Million**. We still use 0.017 as the base rate for most new employers.

We mailed you a Notice of Employer's Rate form in November. It showed your rate for 2010. Begin using that rate with your report for the first quarter of 2010.

SOLVENCY SURCHARGE FOR 2010

By law, we must charge you a [solvency surcharge](#) (see the article before the last about the Fund). We began that charge in 2004. Any employer who pays rates pays the solvency surcharge; employers who reimburse us for benefits do not pay the solvency surcharge.

We pay unemployment benefits from the Fund. We must charge the solvency surcharge to make sure we have enough money to pay those benefits. We base the amount we need in the Fund on the wages reported by Colorado employers who pay rates. By law, the Fund must be more than 0.9 of 1 percent of the total wages reported by Colorado employers during the calendar year before. If the Fund is less, we must charge the solvency surcharge. On June 30, 2009, the amount in the Fund was 0.392 of 1 percent of the total wages. So, we have to charge the solvency surcharge. See the [Colorado Employment Security Act 8-76-102 \(5\)\(a\)](#).

We put the amount of your solvency surcharge on the Notice of Employer's Rate form you received in November.

COLORADO EMPLOYMENT SECURITY ACT FOR 2009

You can see the 2009 Colorado Employment Security Act at www.colorado.gov/cdle/ui; click on **Forms & Publications**, then on the arrow to the right of **Employer Publications**, and then on **Colorado Employment Security Act**.

You can get a summary of 2009 changes in the law. Just click on [2009 Legislation Summary](#). The summary gives a brief explanation of the new law and how it affects you. It also has links to the complete language of each new law. A summary of legislation updates for 2010 will be available this fall.

LAW ABOUT INCORRECTLY CALLING EMPLOYEES INDEPENDENT CONTRACTORS (MISCLASSIFYING EMPLOYEES)

An *employee* works for you and is under your direction and control. An *independent contractor* does work for you but is not under your direction and control. A thorough explanation of this is in the [Employer Handbook](#). You pay premiums on the wages you pay to an employee.

It is against the law to treat an employee as an independent contractor. The law calls this *misclassification of employees*. Click [HB 09-1310](#) to read the Colorado Employment Security Act 8-72-114.

The 2009 law:

- Gives a way for people to report being called independent contractors when they are not.
- Fines any employer who deliberately calls employees independent contractors when they are not.
- Gives you a way for you to get advice on proper classification.
- Requires us to do a 2-year statewide study on employee misclassification.

To ask for help in what to call your workers, contact Unemployment Insurance Audits.

- Send an e-mail to UITA.CDLE@state.co.us.
- Fax your questions to (303) 318-8189.
- Mail a letter to Colorado Department of Labor and Employment, Unemployment Insurance Audits, PO Box 46538, Denver, CO 80201-6538.

A CHANGE TO THE LAW ABOUT EMPLOYEE-LEASING COMPANIES

A 2009 law changes how employee-leasing companies pay premiums on the wages you pay your employees. You have a choice. You may pay the premium under your account. Or you may pay the premium under the account of the work-site employer. Click here to see how [Senate Bill 09-258](#) changed [Colorado Employment Security Act 8-70-114](#).

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. More information is on our Web site at [Employee Leasing Companies](#). You can also get the Application for Certification (as an employee-leasing company) there.

LAYOFF ASSISTANCE SERVICES

The Colorado Department of Labor and Employment offers layoff assistance services to companies facing restructuring and downsizing. These services include workshops that are tailored to meet the employer's need and benefit the employees, by educating them about programs like the Dislocated Worker Program and other community assistance to meet their employment transition needs. All services are a cooperative effort among Colorado's local workforce centers, the State Rapid Response Unit and the Unemployment Insurance Program (who comprise the Layoff Transition Team), and are provided at **no cost**.

The Layoff Transition Team works with all employers, covered or non-covered under the Worker Adjustment and Retraining Notification or WARN Act.

For more information, click [Layoff Transition Services](#).

REPORTING REQUIREMENTS FOR EMPLOYERS WHO MUST PAY PREMIUMS ON THE WAGES THEY PAY THEIR EMPLOYEES.

Most employers in Colorado must pay premiums on the wages they pay their employees. We call that being *liable*. Every quarter, you must report the wages you paid and you must pay your premiums.

- [Quarterly reports](#). You can report your wages and premiums on our Web site or by paper. You must send this report even if you did not pay wages in the quarter, so long as your account is active. If the report will be zero, you do not have to send a wage report. To use our Web site, click [File your tax and/or wage report](#).
- [Wage reports](#). You can report the amount you paid to each employee on our Web site, or via the paper form UITS-1a (1c), or by file transfer protocol.
- If you have 100 or more employees, we encourage you to use file transfer protocol for the wage reports of the amount you paid each employee. To get more information, click [FTP wage report](#).
- If you have fewer than 100 employees, we encourage you to use our Web site for the wage reports of the amount you paid each employee. To use our Web site, click [File your tax and/or wage report](#).

HIRE COLORADO

Hire Colorado is a temporary program offered through the Pikes Peak Workforce Center that provides employers the opportunity to train and develop future employees while saving money. It helps businesses reduce labor costs and train potential employees to meet industry specific needs and standards.

For the Hire Colorado Program, the workforce center is seeking companies with the following positions: Administrative, Management, and Construction. This program is only open to employers who pay wages on IRS form W-2.

Emphasis will also be placed on these priority industries: renewable energy and energy efficient projects, infrastructure enhancements, information technology, healthcare, and education. However, companies with other types of positions are encouraged to apply.

For more information, visit the [Pikes Peak Workforce Center](#) Web site.

LETTING US KNOW ABOUT YOUR CORRECT MAILING ADDRESS AND BUSINESS STATUS CHANGES

You must let us know about any address or ownership changes within ten days of the change. We need to know where to send forms and information about your premiums. You will want to know if a former employee signs up for unemployment benefits. (See [Regulations Concerning Employment Security 7.2.7](#))

You can change any of your addresses at [Unemployment Insurance Employer-Change-of-Business-Address](#). You need your account number and your name as it shows on the forms we send you. The addresses you can change are your location, mailing, benefit mailing, owner, or bank information.

You can also change your address on our [Employer Change Request](#) form. Print the form from the Web site. Mail the completed form to us.

You must tell us if you have sold your business or changed the status of your business on the [Employer Change Request](#) form. Print the form from the Web site. Mail the completed form to us.

Call us at 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area) if you want the forms sent to you. We can send you the forms you need.

REMINDERS

- Past due premiums must be paid by June 30 or a penalty will be assessed for the next year (2011). This penalty will be equal to the amount of premiums past due or 1% of the chargeable wage for the last year, whichever is less.
- Employers must pass a test of liability before an employer account number is assigned. All questions asked on the Application for Unemployment Insurance Account and Determination of Employer Liability (UITL-100) must be answered to aid in this process.

QUESTIONS OR CONCERNS?

For questions about premiums or about your account, feel free to e-mail us at [UI Employer Services](#). You may also call 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).