

UI Quarterly News
3rd Quarter 2011
Colorado Department of Labor and Employment
Unemployment Insurance Program
www.colorado.gov/cdle/ui

John Hickenlooper
Governor



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UNEMPLOYMENT INSURANCE SOLVENCY REFORM

[House Bill 11-1288](#) was passed in the 2011 legislative session and went into effect on July 1, 2011. There are many parts to this new law that will be implemented over the next two to three years. A change to occur in the near future is an increase in the amount of wages on which employers pay unemployment insurance premiums, also known as chargeable wages. Beginning in the calendar year 2012, employers will be required to pay premiums on the first \$11,000 of wages paid to each employee. Additionally in the 2012 calendar year only, the incremental increase of the solvency surcharge applied to an employer will be subtracted from the employer's experience rate.

There are many other changes associated with the passage of this law. You will be updated on those changes in future publications of the UI Quarterly News.

REDUCING IMPROPER PAYMENTS

In May 2011 the U.S. Department of Labor (USDOL) notified all state workforce agencies that, collectively, the UI programs made an estimated \$17.5 billion in improper payments from July 1, 2009–June 30, 2010. The Colorado UI Program contributed approximately 2.5 percent of the estimated improper-payment total during this timeframe. Improper payments represent both underpayments and overpayments.

In an effort to reduce improper payments, focus will be placed on educating staff, claimants, and employers on the main causes of improper payments. Emphasis will also be placed on information that will help prevent, detect, and recover overpayments. As an example of that effort, Colorado has requested to join a pilot program with other states and the USDOL to share best practices and tools targeted at proactive strategies to reduce improper payments. This project will commence September 2011.

EMPLOYMENT VERIFICATION LAW AUDITS

All public and private employers in Colorado must comply with the requirements of the Colorado Employment Verification Law, Colorado Revised Statutes 8-2-122. This law is in addition to federal Form I-9 requirements and applies to all Colorado employees hired on or after January 1, 2007. There are two main components to the law: (1) an affirmation requirement, and (2) a requirement to make and retain copies of employee identity and employment eligibility documentation.

The Colorado Division of Labor conducts audits of employers to determine compliance with the law. Employers who are not meeting the requirements of the law may be subject to fines up to \$5,000 for the first offense, and up to \$25,000 for second and subsequent offenses.

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

CONTRACTS FOR SERVICES WITH PUBLIC ENTITIES REMINDER

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 [Department Program](#).

The Colorado Division of Labor may conduct audits of contractors to determine compliance with the law. Violations of the law may result in contract termination and liability for actual and consequential damages.

For more information, visit the [Public Contracts for Services](#) Web page on the [CDLE](#) Web site.

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).