

**UI Quarterly News**  
1st Quarter 2012  
**Colorado Department of Labor and Employment**  
**Unemployment Insurance Program**  
[www.colorado.gov/cdle/ui](http://www.colorado.gov/cdle/ui)

John Hickenlooper  
Governor



Ellen Golombek  
Executive Director

#### **WAGE REPORTING VIA FILE TRANSFER PROTOCOL**

The Unemployment Insurance (UI) Program accepts quarterly worker-wage data from employers via File Transfer Protocol (FTP). Wage reporting using FTP is suggested for employers with 80 or more employees. If you have fewer than 80 employees, Internet wage reporting is recommended. FTP is the standard method for exchanging files between computers and servers on the Internet. Please visit the [Quarterly Wage Reporting FTP](#) Web page for more information.

#### **UPDATING ADDRESS AND BUSINESS STRUCTURE**

It is the responsibility of the employer to notify us within 10 days of changes to their address or business structure. Changes to business structure may include closures, acquisitions, and buying or selling of business.

To update your address, visit the [Address Change](#) Web page. To update your business structure, visit [www.colorado.gov/cdle/ui](http://www.colorado.gov/cdle/ui), click on **Forms & Publications**, select **Employer Forms**, and then click on **UITL-2, Employer Change Request**.

#### **EMPLOYEE-LEASING COMPANY ANNUAL REPORT AND CERTIFICATION**

We will mail Employee-Leasing Company Annual Report and Certification forms by March 31, 2012.

#### **REGISTERING A NEW BUSINESS**

To register a new business, employers must have at least \$1,500 in qualifying wages or have one employee hired for a period of one day within 20 separate weeks. When an account is opened using our Register A New Business Web site, Colorado Business Express, or a hand completed form, the account cannot be properly established if the employer does not meet the above requirements. New business accounts that have been registered without meeting the requirements will be cancelled. The employer must re-apply for another account once requirements have been met.

#### **EMPLOYEE MISCLASSIFICATION**

The UI Program is required to accept complaints and conduct investigations, when appropriate, regarding alleged misclassification of employees as independent contractors. Employers found to have misclassified employees may be required to pay back UI premiums owed plus interest. Employers found to have willfully disregarded the law may also face additional fines and penalties.

Employers may request an advisory opinion. The opinion is available to employers seeking advice on proper classification of workers. If you would like to request an advisory opinion or obtain more information, visit the [Employee Misclassification](#) Web page.

#### **UNEMPLOYMENT INSURANCE TAXABLE WAGE BASE FOR 2012**

Beginning in calendar year 2012, you will pay premiums based on the first \$11,000 in wages paid to each employee, also known as chargeable wages. This increase is a result of [House Bill 11-1288](#), passed in the 2011 legislative session.

We mailed your rate for 2012 on Your Unemployment Insurance Rate Notice form, in November. Begin using your 2012 assigned rate with your first quarter 2012 reports due on April 30, 2012.

### **Use of Postmark Date**

We are now taking into account the postmark date when determining the timeliness of certain employer forms.

Forms UITR-1, Your Quarterly Report of Wages Paid and Premiums Owed, UITR-1a, Your Report of Individual Employee's Wages, and/or UITR-1c, Your Report of Individual Seasonal Employee's Wages are now timely if postmarked by the due date.

If you file reports electronically or drop them off in person, the reports must be received by the due date. Mailed premium payments or reports must be postmarked on or before the due date.

### **Colorado Business Express**

Colorado Business Express is a fast, user-friendly online tool to guide businesses through the process of filing for a sales tax account, wage-withholding account, and/or unemployment insurance account. It's the quick and easy way to start a business in the state of Colorado. To register a business or learn more, visit [www.colorado.gov/ColoradoBusinessExpress](http://www.colorado.gov/ColoradoBusinessExpress).

### **REQUEST FOR FACTS ABOUT A FORMER EMPLOYEE'S EMPLOYMENT, FORM UIB-290**

Our Request for Facts About A Former Employee's Employment form is sent to employers, seeking information about the reason a former employee is no longer working for you and any payments, other than wages, that you gave the person. We use this information to determine if we should charge your account for benefits we pay based on this employment. We encourage your timely response to this form. If it is late, you lose your right to tell us what happened (also called your *right to protest*). Benefits paid to ineligible individuals, if not detected, result in unwarranted charges to your experience rating account and may affect your rate unfavorably.

Timely return of our Request for Facts About A Former Employee's Employment form, may prevent overpayments and save you money.

### **SOLVENCY SURCHARGE AND SOLVENCY SURCHARGE CREDIT**

In 2004 we began charging a solvency surcharge to the majority of employer accounts. The purpose of the solvency surcharge is to keep enough money in the Unemployment Insurance Trust Fund to ensure that we can pay unemployment benefits.

We mailed Your 2012 Unemployment Insurance Rate Notice form in November 2011. The form gives you your combined base rate and solvency surcharge for calendar year 2012.

Effective for rate year 2012, the solvency surcharge yearly increment is credited back to employers as an adjustment. You will see this credit reflected on the 2012 Your Unemployment Insurance Rate Notice form in **Item 11**. If the limit on solvency tax is reached, the adjustment (**Item 11**) may be less than the 2012 yearly increment. Employers that are new in 2012 do not get the credit.

The following Web pages give additional information about the solvency surcharge and solvency surcharge credit:

- [Solvency Surcharge and Its Impact on Rates for Calendar Year 2012](#)
- [Frequently Asked Questions About the Solvency Surcharge](#)
- [Unemployment Insurance Protest Information](#)

## **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 per employee.

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).