



Unemployment Insurance Tax Guide for Employers

www.laworks.net



Vision

We will make Louisiana the best place in the country to get a job or grow a business, and our goal is to be the country's best workforce agency.

Mission

We put people to work.

Values

Integrity and Respect, Open Communication, Accountability, Teamwork, Continuous Improvement, Adaptability

Strategy

The Office of Unemployment Insurance Administration will deploy the following strategies to support the objectives of the Agency:

- Serve as a bridge to re-employment
- Make timely and quality determinations
- Minimize overpayments and prevent fraud
- Ensure complete and accurate employer wage and tax records
- Provide quality customer service and education to claimants and employers

Introduction

Whether you are starting a new business or maintaining an existing one, this guide will answer your questions regarding Louisiana Unemployment Insurance Tax. Inside you will find information about laws, regulations and registrations with which you may be required to comply.

The information supplied here is not guaranteed or intended to serve as a substitution or interpretation of applicable law. It should be used only as a general guide for your business questions. The guide will be updated as needed in an effort to maintain timely and accurate information. The most up-to-date version of the guide can be downloaded on LWC's Web site at www.laworks.net.

For additional information you may call or write our Unemployment Insurance Tax division at:

Louisiana Workforce Commission
Chief of Tax Operations
P.O. Box 94186
Baton Rouge, LA 70804-9186
Phone: 1-866-783-5567 or 1-800-259-5154 (Voice & TDD)

Louisiana Workforce Commission
UI Tax Liability and Adjudication
P.O. Box 94186
Baton Rouge, LA 70804-9186
Phone: 1-866-783-5567 or 1-800-259-5154 (Voice & TDD)
Fax: (225) 346-6073

Auxiliary aids and services are available upon request to individuals with disabilities.

Table of Contents

	Page
Introduction	i
Unemployment Insurance Tax in Louisiana.....	1
Exclusions to Wage Reporting.....	2
Distinguishing Between Employees and Independent Contractors.....	3
Tax Liability	5
Employees Working in More Than One State.....	6
Tax Rates	6
State Unemployment Tax Act (SUTA)	9
Professional Employer Organization (PEO).....	9
Reporting Wages and Paying Taxes Due.....	10
Reimbursable Employers	11
Glossary of Terms.....	13
Links to Resources.....	16

What is unemployment insurance (UI)?

UI is a program that provides temporary weekly benefits for workers

- who have lost their jobs through no fault of their own
- who are able to work, available for work, and actually seeking work in their usual occupations
- who have earned sufficient base period wages from covered employers to qualify for benefits

The contributions for the unemployment insurance program are paid by the employer, not the employee, and should **not** be deducted from employee wages. (R.S. 23:1531 and R.S. 23:1600)

Is there a law governing UI?

Yes. Louisiana Revised Statutes of 1950, Title 23, Chapter 11, covers the law and administration thereof. This law must be approved by the U. S. Secretary of Labor for Louisiana employers to be able to receive credits against the Federal Unemployment Tax Act (FUTA). Our law must also conform to the Federal Social Security Act and FUTA requirements.

A list of Louisiana Revised Statutes referenced in this guide may be found on laworks.net at:

http://www.laworks.net/UnemploymentInsurance/UI_CompensationLaw.asp

with a link to the Louisiana Legislature's web site at <http://www.legis.state.la.us>.

What is the relationship between the state UI tax and the federal unemployment tax? How are these tax monies used?

The contributions that you pay under an approved state law may be taken as a credit toward the federal tax. The FUTA credit is limited to 5.4 percent, and all employers in the state receive that much credit against the federal tax if they paid UI taxes to the state. An employer can apply the factor to their contribution amount for a quarter to determine the monetary amount that will be creditable.

Amounts paid in state taxes are used to pay the cost of unemployment benefits in the state. The tax paid to the federal government pays the cost of administration and federal extended benefits. In order to receive full FUTA credit for taxes paid to the state, it is necessary that state taxes be paid no later than January 31 following the calendar year in which the wages were paid. You should make certain your reports for the fourth quarter, due January 31, are filed on time.

Which employers must pay UI tax?

Every employing unit operating in Louisiana is required to complete and submit an **EMPLOYER APPLICATION for LA UNEMPLOYMENT ACCOUNT**, for a determination of liability or non-liability according to the Louisiana Employment Security Law.

Apply online: <https://laors.laworks.net/LaLogin/Login>

The Louisiana Employment Security Law provides for unemployment compensation coverage as listed below.

1. Any employing unit which pays wages of \$1,500 or more during any quarter in a calendar year or has at least one individual employed during some portion of a day during 20 or more separate calendar weeks in a calendar year.
2. Any employing unit which has acquired all or part of an organization, trade, business, or the assets of an employing unit, which at the time was an employer subject to the Act.
3. Any employing unit which acquired an organization, trade, business, the employees or the assets of another employing unit, if the employment record of the predecessor prior to the date of acquisition and the employment record of the successor subsequent to the date of acquisition, both within the same year, would be sufficient to satisfy the employment requirements of No. 1 above.
4. Any employing unit that sold to or merged with an existing or new employing unit.

5. Any state instrumentality, political subdivision, school (public or private), and some non-profit, religious, charitable, and educational organizations.
6. Any employer who is subject to FUTA and has at least one employee in Louisiana.
7. Any employer who pays wages of \$1,000 or more in any calendar quarter of a calendar year for domestic services in a private home, local college club, or local chapter of a college fraternity or sorority.
8. Any employer who employs 10 or more individuals for 20 or more weeks in a calendar year or who pays \$20,000 or more wages in a calendar quarter for agricultural labor in a calendar year.
9. Any inactive subject employer who has never requested or been granted termination of coverage and resumes operation within seven years after their last employment, regardless of the number of employees.
10. Any non-profit organization which has four or more employees for 20 or more weeks during a calendar year which is not subject to FUTA due to IRS exemption under Section 501(c)(3) of the Internal Revenue Code.

Are there any exclusions to the UI tax?

The few exclusions are certain non-profit, charitable, educational, or religious organizations; children under 21 employed by their parents (sole proprietors only); parents employed by their children; husbands and wives employed by each other (not applicable to spouses of officers of corporations or partners in a partnership); real estate and insurance salesmen whose sole remuneration is in the form of commission and other types of service under special conditions; and multi-state employees and crews of maritime vessels concerned with reciprocity programs in which Louisiana is a participating state, and the employer has elected coverage in another state. (R. S. 23:1472.12)

All wages and other remuneration in any medium other than cash are to be reported, except by:

1. Ordained, commissioned, or licensed ministers of a church.
2. Elected officials.
3. Members of a legislative body, or members of the judiciary of this state or political subdivision, or of an Indian tribe.
4. Members of the State National Guard or Air National Guard.
5. Employees serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or similar emergency.
6. Work-relief or work training program financed in whole or in part by any federal agency or an agency of a state or political subdivision.
7. Inmates of a custodial or penal institution.
8. Employees under 21 years of age in a non-profit or public educational institution at which credits are given (C.O.E.).
9. Students employed by a school, college, or university at which student is regularly attending classes.
10. Student nurses employed at a hospital or nurses' training school who are enrolled and regularly attending classes in a nurses' school.
11. Interns who have completed a four-year course in medical school and are employed by a hospital.

12. Persons holding positions in governmental entities which are designated as:
 - a. Major non-tenured policy-making or advisory positions, or
 - b. Policy-making or advisory positions, which ordinarily do not require more than eight hours per week.
13. Individuals whose earning capacity is impaired by age, physical or mental deficiency or injury, or individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market and who receive rehabilitation or remunerative work in a facility conducted for the purpose of carrying out a program of rehabilitation.

Special Notations:

1. Supplemental pay to policemen, firemen, district attorneys, etc., shall be reported by the hiring agency.
2. Students whose wages are excluded by Item 9 above should be reported when they perform services other than those outlined by Item 9. (Example: When they perform services during a vacation period.)
3. A registered subject employer with any change in the entity must notify LWC for the assignment of a separate identification number.
4. Certificates of Clearance to the Secretary of State for the dissolution or withdrawal of corporations cannot be issued by LWC unless the corporation has paid all taxes due. If the firm is not subject to the law, then it must submit a completed Employer Application for LA Unemployment Account or affidavit denoting such non-liability.
5. Specific information about the Louisiana Employment Security Law may be obtained from LWC, Office of Unemployment Insurance, PO Box 94186, Baton Rouge, LA 70804-9186 or on our website, www.laworks.net.

How does the Louisiana Employment Security Law distinguish between employees and independent contractors? (R.S. 23:1472.12 E & 23:1711 G)

The Independent Contractor or Employee Poster is available online:

http://www.laworks.net/Downloads/Posters/Ind_Contractor_or_Emp_bw.pdf

An individual who performs services for wages under any written or oral contract shall be deemed an employee whose wages are subject to UI taxes, unless it can be shown to the satisfaction of the administrator that:

1. Such an individual has been and will continue to be free from any control or direction over the performance of such services both under his contract and in fact; and
2. Such a service is either outside the usual course of the business for which such service is performed, or that such service is performed outside of all the places of business of the enterprise for which such service is performed; and
3. Such an individual is customarily engaged in an independently established trade, occupation, profession, or business.

It is against the law for an employer to misclassify employees as independent contractors or pay employees off the books. Penalties for misclassifying a worker as an independent contractor include:

- Fines of up to \$500 per worker per instance
- Imprisonment for up to 90 days
- Prohibited from contracting with any state agency or political subdivision of the state for three years.

Suspected misclassification fraud may be reported using the **LWC Fraud Hotline at 1-800-201-3362**.

The following factors indicate that the relationship is employment.

1. The individual's services are performed on the business premises of the company.
2. The individual has no financial investment in an ongoing business related to the services the individual is performing.
3. The company provides supplies, materials, and necessary tools and equipment.
4. The company provides training to the individual in the performance of the services.
5. The company's duties to third parties would require that the company maintain control over the individual's performance of service.
6. The individual uses the company's business name in the performance of the services.
7. The individual is required or expected to personally perform the services.
8. The individual is required to report on a periodic basis the services performed, the amount of time the individual spent in performing the services, or other details as to the performance of services.
9. Effective operation of the company's business requires that the individual be supervised or controlled in the performance of service.
10. Representation (explicitly or implicitly) is made by the company to customers or the general public that the individual is an employee of the company.
11. No written contract or agreement exists between the company and the individual.
12. The company can terminate the individual's services at any time without liability for damages.
13. The individual does not have a separate business address or telephone number.
14. The individual is prohibited from competing with the company either during the time services are performed for the company or for any period thereafter.
15. The service performed is of an unskilled nature.
16. The type of service performed by the individual is the only service, or a major part of the service, that the company provides.
17. The individual has no separate insurance coverage for liability in connection with the services performed.
18. The individual has no other similar relationships with companies for which the individual performs similar services.
19. The individual is paid on a piece-rate or hourly basis rather than for a short-term project or job.
20. The arrangement is for ongoing, continuous services rather than for a short-term project or job.
21. The individual is established to the extent of being financially dependent on the company and cannot survive economically if no longer providing services for the company.
22. The individual is required or encouraged to keep regular hours or to perform services only during the company's regular hours.

The following factors indicate the relationship is an independent contractor.

1. The individual owns a place of business separate from that of the company.
2. Equipment, supplies, and facilities are provided by the individual.
3. Expenses for travel and entertainment and for licensing and occupational permits are paid by the individual.
4. The individual has other similar arrangements for the performance of services with other companies.
5. The individual receives payment by lump sum or contract rate rather than by an hourly or piecework basis.
6. The individual is publicly available to perform similar services for others and does in fact perform such services for others.
7. The service is of a professional or technical nature, the details of which are outside the usual course of business and best left to the discretion of the individual.
8. The arrangement between the individual and the company is in the form of a written agreement that has a specific contract amount and a definite term.
9. The individual advertises for the performance of services.

Use of criteria

In determining how these criteria may be applied, the following considerations will be taken into account:

1. Factors must be weighed. Each case has to be considered on its own facts, and the factors tending to indicate one or the other relationship have to be weighed.
2. General control is sufficient. It is not necessary that the employer actually direct or control the manner in which the services are performed; it is sufficient if the employer has the right to do so.
3. Written contract. The existence of a written contract is indicative, but not determinative, of independent contractor status. A written contract does not mean there is an independent contractor relationship nor does the absence of a written contract indicate that it necessarily is an employment relationship.

Caution: Although you may not be subject to FUTA, you may be subject to the Louisiana Employment Security Law.

How can I report suspected fraud?

If you suspect an individual or a business of Unemployment Insurance or Worker's Compensation fraud, you may report it to the LWC online: <http://www.laworks.net/FraudMenu.asp> or by phone: 1-800-201-3362.

What taxes am I liable for on my Employer's Quarterly Wage and Tax Report?

If you are a regular taxable employer, you are liable for taxes only on the first \$8,500, \$7,700, or \$7,000 of an employee's wages per calendar year, depending upon the balance in the Louisiana Unemployment Trust Fund. Since 2010, the Louisiana taxable wage base has been \$7,700. Employers are notified what the taxable wage base for the upcoming rate year will be on their Annual Contribution Tax Rate Notice. In no case can excess wages (wages paid to an employee in excess of the wage base) be greater than total wages.

How important are social security numbers?

Correct social security numbers can save everyone money and help to prevent UI fraud.

ALWAYS..... submit employee's correct social security number on your UI wage reports.

BE SURE to insist that all new workers show you their social security cards when you hire them.

DO NOT accept the number orally.

DO NOT accept a copy of the number.

DO NOT copy the number from withholding tax forms. Take the number only from their social security cards.

Use this form to correct invalid or zero social security numbers reported on the Employer Wage & Tax Report: http://www.laworks.net/Downloads/UI/WTS/SSN_Correction_Form.pdf.

What if I have an employee that works in more than one state?

WAGES PAID TO AN EMPLOYEE COVERED UNDER THE UNEMPLOYMENT INSURANCE LAW OF ANOTHER STATE DO NOT COUNT TOWARD THE LOUISIANA TAXABLE WAGE BASE.

When an employee performs work in Louisiana and at least one other state, the following criteria should be used to determine whether wages paid to the employee must be reported to the Louisiana Workforce Commission (LWC):

- The employment is performed primarily in Louisiana and employment performed outside Louisiana is incidental to the employment in Louisiana, or
- The employment is performed in Louisiana and the base of operations or the place from which the employment is directed or controlled is in Louisiana, or
- The base of operations or place from which the employment is directed or controlled is not in any state where part of the employment is performed, but the employee's residence is in Louisiana.

If the above criteria do not apply, and the employee's work is not covered under the laws of another state or Canada, the work is covered in Louisiana if the employer directs or controls the work from Louisiana.

Any employer may file an election, subject to approval by the elected jurisdiction and all interested jurisdictions, to report wages and pay contributions in only one state for any employee who customarily works for him in more than one state if:

- a. any part of the employee's services are performed in that state, or
- b. the employee has a residence in that state, or
- c. the employer maintains a place of business in that state to which the employee's services bear a reasonable relationship.

LWC-ES319 RC-1 Employer's Request for Approval to Elect to Cover Multi-State Worker:
<http://www.laworks.net/Downloads/UI/EmployerMultiStateRequest.pdf>

LWC-ES321-RC2 Employee Notification of Coverage of Multi-State Worker:
<http://www.laworks.net/Downloads/UI/EmployerMultiStateNotification.pdf>

Should UI benefits be reported on a person's income tax return?

UI benefits are taxable, depending on the person's net income. An IRS Form Number 1099 will be issued to all claimants who receive benefits during the year.

Do all liable employers pay the same rate?

No. Louisiana Employment Security Law provides an opportunity for employers to "earn" rates based on their own individual employing experience once they become eligible for a rate computation.

Ineligible employers: A new employer must serve a 24-consecutive-month eligibility period during which the account could be charged with UI benefits based on wages paid to former employees. This qualifying period actually can extend to 45 months. By the nature of how the base period of a claim is established, the employer must be liable to the law for at least three calendar quarters before benefit charges could be applied to his account. The 24-month period count begins with the third quarter from the liability date, extends 24 months, and must end on a June 30th date. Until the eligibility period has elapsed, a new employer's rate will be the weighted average rate for employers in the same industrial classification according to the latest rate computation. If during the eligibility period the employer's reserve balance should become negative on June 30, the maximum rate applicable to any employer will be assigned for the upcoming rate year. Once the eligibility period has been served, the employer shall become experience rated, thereby becoming an "eligible" employer.

Eligible employers: An employer who has served the required eligibility period is considered eligible. No longer receiving a new employer UI tax rate based on industrial classification, the employer's rate is now based on the ratio between his reserve-balance compared to his average annual taxable payroll.

When are rates computed, and must I ask for my rate?

Rates are computed annually based on the employer's taxable wages, taxes paid (contributions), and benefit charges through June 30th preceding the calendar rate year. This is called the fiscal rating period.

Example: The rate for calendar year 2012 is based on the experience of your account as of June 30, 2011.

Each employer is notified of his rate no later than December 31 for the forthcoming calendar year. An employer may call our interactive voice response system, (225) 326-6999 or toll-free 866-783-5567, to get the rates for the last four years. The annual tax rate notice is also available in the online Tax Services section of the Wage and Tax Reporting System at www.laworks.net.

What makes my tax rate go up when no claims have been filed against me?

In order to maintain the UI program, the state unemployment trust fund should remain solvent. In the face of a period of heavy unemployment and severe drain on the funds, all states raise employer taxes in order to maintain the solvency of the fund. In addition, on an individual employer basis, if an account's taxable payroll has increased, the ratio of reserve compared to payroll may change, causing an increase in the rate. The reserve may be inadequate to cover the unemployment risks attributable to a higher payroll, so the tax rate is increased to augment the reserve to cover the greater risk.

What determines my rate?

If you have served your eligibility period and are entitled to an experience rated computation of your UI rate, the taxable payrolls for the last three completed fiscal years ending on June 30 are used. Contributions paid, exclusive of amounts not creditable by law, together with any delinquent contributions that may have been paid during the fiscal rating period, are used in the calculation, as well as any benefits that are charged to your account during the fiscal rating period.

What is a social charge rate?

It is a rate established for the recoupment of all non-charged benefit payments, supplemental funding of the Incumbent Worker Training Program, and supplemental integrity funding, and is applicable to each taxable employer. The social charge percentage for each of the three social charge categories must first be calculated by dividing the known required balance in the specific social charge account by the projected income for the ensuing calendar year. Each employer's social charge rate is determined by multiplying his regular experience rate times each social charge percentage. The results are rounded and totaled, then added to the employer's regular experience rate. Please note that the contributions applicable to the two supplemental funding items must be excluded for IRS 940 reporting purposes. The factor to be used in determining the allowable contributions for FUTA is provided on your LWC ES-4, Employer Quarterly Wage & Tax Report.

What entitles an experience rated employer to non-charging of benefits?

Usually your prime concern is your account being charged for unemployment benefits once you have caused a claimant to be disqualified.

1. Section 1553 of the law provides that if you timely file Forms LWC-ES 77, Separation Notice Alleging Disqualification; LWC-ES 110, Notice of Claim Filed; or LWC-ES 152, Notice to Base Period Employers, you may be eligible for a non-charge of benefits. Your protest must be filed timely, and you must receive a determination stating that the claimant is disqualified before you are entitled to be non-charged for benefits paid subsequent to the disqualification. This non-charging is done in an automatic procedure and need not be requested unless an error has occurred.
2. Section 1601 further provides that a claimant may not be disqualified for benefits for leaving part-time or interim employment in order to protect full-time or regular employment. Benefits paid based upon base period wages for the interim employment shall not be charged to the base period employer.
3. Another possibility of non-charging occurs when the claimant is receiving unemployment benefits and is still working for you (as a base period employer) on a continual part-time basis. You cannot reduce the number of hours worked or wages paid in order to be entitled to the non-charging of benefits. You must make a written request for the non-charging of benefits to this agency if you receive a Benefit Charge Statement and are charged for an individual who is still in your employ at the same number of hours and rate of pay. This provision of our law is not automated. The claimant must report any wages earned during a week in which a claim is filed for unemployment benefits. The benefits will be reduced by any wages in excess of 50 percent of his weekly benefit amount or \$50, whichever is lower.

A credit will be issued to your account if it is determined that you are entitled to be non-charged. A letter will be mailed notifying you that your account has been credited. The adjustment will be reflected on the next Benefit Charge Statement issued after the adjustment action.

What factors affect a rate and how can I reduce my rate?

The ratio between your UI account's reserve (reflected as a positive or negative balance) and your average annual taxable payroll is the factor that determines your UI rate. As this ratio increases, the assigned rate decreases. As your ratio decreases or becomes negative, the assigned rate increases.

Factors that can affect a rate either upward or downward include:

1. Increased payrolls while paying taxes at a low rate may increase the rate.
2. Decreased payrolls with a negative ratio may cause an increase to the rate.
3. Increased reserve due to no benefit charges may increase the ratio and lower the rate.
4. Benefit charges applied to an account with a low reserve may increase the rate.
5. The combination of benefit charges and increased payrolls may increase the rate.
6. Decreased payrolls while having a low rate may decrease the rate even further.

Suggestions to assist you in potentially reducing your rate:

1. Use a hiring agreement in the employment process. See page 67, "Can a hiring agreement reduce my UI tax?"
2. File form LWC-77, Separation Notice Alleging Disqualification, within 72 hours when an employee leaves under disqualifying circumstances.
3. Promptly answer all Notices of Claim Filed and any Notices to Base Period Employers.
4. To properly protect yourself from unjustified benefit charges, follow through with all appeal procedures.

5. Each quarter, carefully check your Quarterly Statement of Benefit Charges. Any erroneous charges should be reported to LWC within the review period of 30 days from the mailing date; however, you cannot protest the eligibility of a claimant to receive benefits on this statement.
6. Consider making a Voluntary Contribution. A Voluntary Contribution is a one-time payment allowed each year that may allow you to lower your UI tax rate by increasing the balance of your account's reserve. It may be made in any amount, is not mandatory, but must be made within 30 days from the Annual Rate Notice mail date. A Voluntary Contribution page specific to your account is included with your Rate Notice.

What is SUTA dumping?

SUTA (State Unemployment Tax Act) dumping is a tax avoidance plan used by some employers to change their unemployment insurance tax rate and thereby pay less tax. As a result, these employers pass along their proper tax liability to all other employers in the state.

What are the penalties for SUTA dumping?

LA R.S. 23:1539.1 of the Louisiana Employment Security Law provides that if a person knowingly violates or attempts to violate any part of the Chapter related to determining the assignment of a contribution rate, or if a person knowingly advises another person in a way that results in a violation of such provision, the person shall be subject to the following penalties:

Employers who participate in SUTA dumping may be fined up to \$10,000 for each incident and may be imprisoned for up to six months.

Individuals who are not employers but participate in this practice (accountants, attorneys, etc.) may be fined up to \$10,000 for each incident and may be imprisoned for up to six months.

In addition:

1. If the person is an employer, then such employer shall be assigned the highest rate assignable under this Chapter for the rate year during which such violation or attempted violation occurred and the three years immediately following this rate year. However, if the person's business is already at the highest rate for any year in which the violation occurred, or if the amount of increase in the person's rate would be less than two percent for each year, then a penalty rate of contribution of up to two percent of taxable wages shall be imposed for such year.
2. If the person is not an employer, such person shall be subject to a civil money penalty of not more than five thousand dollars per violation.

How can I report SUTA dumping?

SUTA dumping hurts all Louisiana employers. For more information, or to report suspected schemes, contact the LWC Fraud Hotline at 1-800-201-3362.

What is a Professional Employer Organization (PEO)?

A PEO enables clients to outsource the management of human resources, employee benefits, payroll and workers' compensation. As long as the professional employer service agreement between the PEO and the client remains in force, a PEO shall be deemed an employer of the covered employees to the extent of the service agreement. All PEO's are required to complete a PEO Registration form with the Louisiana Department of Insurance and with the Louisiana Workforce Commission. PEO's have two methods of filing for their clients: Bonded & Non-Bonded.

Registration forms and information about PEO requirements:

http://www.laworks.net/Downloads/UI/PEO_SuretyBond.pdf

How is UI tax paid?

Liable businesses are required to file an Employer's Quarterly Wage & Tax Report (LWC-ES4), and remit any tax due no later than the last day of the month (April 30, July 31, Oct. 31, Jan. 31) following the close of the calendar quarter which the report covers. Interest and penalty begin the first day past the due date for the quarter and is calculated at a rate of 1 percent per month or a fraction thereof, penalty is calculated at percent per month not to exceed 25 percent (5 months).

RS 23:1531.1, which became effective June 22, 2007, requires employers to file the Employer Wage and Tax Reports electronically.

Online Wage & Tax Reporting: <https://laors.laworks.net/employerportal/anonymouseuserscreens/>

The requirement phases in employers according to the number of employees being reported.

ALL EMPLOYERS MUST REPORT ONLINE BEGINNING APRIL 1, 2014.

An employer may apply to the administrator for a waiver.

The requirement to file electronically is as follows:

- For contribution and wage reports due after January 31, 2008, those employers employing two hundred fifty or more employees
- For contribution and wage reports due after January 31, 2010, those employers employing two hundred or more employees
- For contribution and wage reports due after January 31, 2012, those employers employing one hundred or more employees
- For contribution and wage reports due after January 31, 2014, those employers employing fewer than one hundred employees

Employers must have a Louisiana unemployment state identification number (SID, also known as an employer account number or EAN) issued by the LWC and a federal employer identification number (FEIN) in order to create an account in the Online Services section of www.laworks.net. Payment of the taxes due can be made by electronic funds transfer in online services or by printing a voucher and remitting a check by mail.

Employers who have domestic employees (household help, sitter, nanny, etc.) may elect to file their report annually on the Domestic Employer's Annual Wage & Tax Report Form ES5:
<http://www.laworks.net/Downloads/UI/WTS/LWCes5.pdf>

Online reporting: <https://laors.laworks.net/employerportal/anonymouseuserscreens/>

The Election to Report and Pay UI Contributions with Respect to Domestic Service Employees form must be completed to make this election: <http://www.laworks.net/Downloads/UI/WTS/domesticannual-qurtly.pdf>

The Domestic Employer's Annual Wage & Tax Report, and corresponding tax payment, for wages paid for employment in the previous calendar year, is due Jan. 31.

Employers may call (225) 326-6999, (225) 342-0210 or toll-free 1-866-783-5567, or log on to www.laworks.net, for information about reporting requirements and assistance with online filing.

Is there another electronic banking system available to pay the UI tax?

The Louisiana Workforce Commission (LWC) offers an electronic funds transfer (EFT) system for employers to make payments as ACH credit transactions through their banking source. Completion of an **"Authorization Agreement for Electronic Funds Transfer (EFT) of LWC Unemployment Tax Payments"** is required: <http://www.laworks.net/Downloads/UI/WTS/eftauthorization.pdf>

A CCD+ Addendum record must be used to format this transaction:

<http://www.laworks.net/Downloads/UI/WTS/TXPexample.pdf>

Questions regarding this method may be directed to the LWC UI Central Processing Unit at (225) 342-0210.

Can previously filed Wage & Tax Reports be amended?

Yes. In accordance with the Louisiana Employment Security Law R.S. 23:1551 a quarter can be amended within three years of the due date for that quarter. A signed LWC Form ES51 submitted by the employer or agent will initiate the adjustment. Effective October 1, 2012, employers may amend reports filed online for the year 2012 in Online Services. Effective, April, 2013, employers may amend any quarter within the three year limitation in Online Services, regardless of the filing method used.

Online Amendment: <https://laors.laworks.net/employerportal/anonymoususerscreens/>

Amendment Form: <http://www.laworks.net/Downloads/UI/WTS/amendedquarterlyreport.pdf>

SSN Correction Form: http://www.laworks.net/Downloads/UI/WTS/SSN_Correction_Form.pdf

What happens if I don't pay the tax on time?

Delinquent employers are sent a Delinquent Notice of the tax, interest and penalty due, and any outstanding reports due. Intent to Assess Notices are sent to employers who have failed to clear a delinquency after the time given in the delinquent notification. At this time, if the past due report has not been filed, total and taxable wages are estimated on the account. Estimated wages can be replaced with the actual wages from the Wage and Tax Report if the report is received within three years from the due date for the quarter reported. Assessment Notices are sent to employers who remain delinquent after the intent process has failed to resolve the issue. The notice, which informs of the amount of tax, penalty and interest due, is mailed to the employer and the Clerk of Court in the parish(es) where the delinquent employer operates. The Assessment Notice shall be tantamount to a judgment of the courts and shall operate as a first lien, privilege, and mortgage on all movable and immovable property of the employer from the date of the filing. A lien cancellation may be requested when the balance on the lien is resolved. It is the responsibility of the employer to file the cancellation document with the Clerk of Court and pay the filing fee. If the amount due remains unresolved after the filing of the assessment, the account will be referred to a collection attorney.

Are overpaid contributions refundable?

Yes. Employers may use the tax overpayment on future tax liability. The administrator may approve the overpaid contributions be refunded to the employer. Upon inactivation of an employer account, overpaid contributions are refunded.

What is a reimbursable employer?

A reimbursable employer is a state or local governmental entity or non-profit organization described in Section 501(c)(3) of the U. S. Internal Revenue Code that is exempt from Income Tax and FUTA. These employers must submit quarterly contribution and wage reports, but are not experienced rated. These employers reimburse LWC on a dollar-for-dollar basis for UI benefits paid to their former employees. Reimbursable employers receive a quarterly Benefit Charge Statement of charges due.

A state agency, political subdivision, or non-profit corporation that has four or more employees and is not subject to the Federal Unemployment Tax Act (FUTA) may elect to be a taxable employer or a reimbursable employer.

How do reimbursable employers know when and how much to pay?

At the close of each calendar quarter, a Benefit Charge Statement is mailed to a reimbursable employer who has a credit or a debit. The employer who has a debit must remit the full amount shown on the charge statement within 30 days from the mailing date of the statement.

Are reimbursable employers charged interest and penalty?

Yes. Reimbursable employers are charged interest and penalty at the same rate as taxable employers.

What can a reimbursable employer do if not in agreement with a charge on the statement?

The employer may protest within 30 days from the mailing date of the statement.

Benefit Charge Protest: <http://www.laworks.net/Downloads/UI/BenefitChargeProtestForm.pdf>

If an error occurs on the statement, will it be corrected?

Yes. The adjusted amount will be automatically applied to the account at the time the adjustment is made. The adjustment will be reflected on a future Benefit Charge Statement.

Can a reimbursable employer automatically deduct a charge if he or she feels the charge is in error?

No. The statement must be paid in full and protested when paying the statement. If an error is detected, a credit will be issued that can be used against future charges.

Can a reimbursable employer be credited for any benefits paid?

Yes, but only in the following circumstances:

1. Administrative error, if it is finally determined the claimant was not entitled to benefits.
2. Benefits paid to an individual who has been disqualified by an Administrative Law Judge, Board of Review, or the judicial courts. However, once the claimant satisfies the disqualification, the reimbursable employer will be liable for all charges attributable to the account after the requalification.
3. Benefits paid to an individual who continues to remain in the employ of a base period employer without a reduction in the number of hours worked or wages paid.

Are the credits above automatic?

Only Items 1 and 2 are automatic. Item 3 must be requested.

If a reimbursable employer decides to change to a contributing (taxable) employer, can he/she do so?

Yes, but only after being a reimbursable employer for two calendar years. The change to contributing employer must be requested 30 days prior to the beginning of the year for which the change is to apply.

Will the employer be liable to pay benefit charges that are based on wages reported under the reimbursable option after a change is made to contributing employers?

Yes. Even though the employer is no longer reporting quarterly wages under the reimbursable option of financing unemployment benefits, the employer is still responsible for reimbursing LWC for benefit charges based on wages earned during the reimbursable period. These reimbursements could be simultaneous to the employer's quarterly taxable contributions.

Glossary

Administrative Office – the headquarters of LWC, located in Baton Rouge.

annual payroll – total amount of wages for employment paid by the employer during the 12-consecutive calendar month period ending June 30.

appeal – a request for review of a determination issued by LWC.

assessment – legal remedy to enforce collection of delinquent contributions, interest, and penalty.

average annual payroll – the average of annual taxable payroll for the last three 12-consecutive calendar month periods ending on June 30.

base period or base year – the first four quarters of the last five completed calendar quarters immediately preceding the first day of a benefit year.

base period wages – wages paid to an individual during his base period for work subject to the Louisiana Employment Security Law. It is the basis for determining an individual's benefit amount.

benefit charges – benefits paid and charged to an employer's experience rating record.

benefit year – the one-year period subsequent to the effective date of the initial claim for UI benefits.

calendar quarter – period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31.

claimant – individual who is fully or partially unemployed and seeking UI benefits.

computation date – the June 30th date that precedes the beginning of a calendar year to which a particular rate is applicable.

contributions – quarterly UI taxes received from employers and deposited into the UI Trust Fund.

delinquent report – Employer's Quarterly Wage and Tax Report not received by the last day of the month following the close of the quarter.

determination – a decision by the agency concerning a person's eligibility for UI benefits.

discharge – when an employee is discharged for misconduct connected with the employment, that employee may be disqualified from benefits. Proper procedure on your part will help ensure that only qualified applicants are able to collect benefits.

disqualification – when a person is declared ineligible to receive UI benefits.

eligibility period – a 24-consecutive-month period ending on a June 30th date during which a liable employer's account could have been charged with benefits. An employer cannot be charged with benefits until his third calendar quarter. This eligibility period may actually extend up to 45 months.

experience rating – the method of accounting for contributions or taxes paid by an employer from which benefits paid to former employees are deducted. Taxable wages are retained for the three most recent fiscal years ending on June 30 to arrive at a reserve ratio. The reserve ratio determines an employer's rate if the eligibility requirement has been met.

experience rating year – calendar year to which rates are applicable for the payment of contributions.

extended benefits – provision that allows benefits to be paid for more weeks than was allocated on the original UI claim (triggered automatically by state economic conditions).

issue – a question or dispute about eligibility for benefits.

liability date – effective date on which an employer becomes liable to the Louisiana Employment Security Law.

maximum benefit amount – the total benefits for a given program that a person can receive during that person's benefit year.

monetary determination – a finding by the Administrator that a person has or has not sufficient base period earnings to be eligible for UI benefits.

monetary eligibility – benefit amount a claimant is entitled per week and the maximum amount allowable.

predecessor – an employer who disposed of all or a portion of a liable business.

protest – written notice to LWC before a non-monetary determination has been made (Examples: Form 77, responses to Forms 110 and 152). Or responses to Administrative Office notices that are not appealable (Examples: Responses to Form 102, Benefit Charge Statement, and Form 105, Annual Rate Notice)

Employer's Quarterly Wage and Tax Report – report due each calendar quarter as long as an employer is liable to the law.

rate – an assigned percentage by which contributions are determined. Rate times taxable payroll each quarter equals contributions.

reconsideration – a re-determination of the claimant's monetary eligibility.

reimbursable employer – an employer exempt from FUTA but subject to the state's laws, who must submit an exemption certificate from the Internal Revenue Service to be relieved from liability for quarterly contributions, and who pays on a dollar-for-dollar basis for benefits paid to former employees.

reserve – the cumulative balance of creditable contributions in an experience rating account less any benefit charges. The balance is maintained as long as the employer is liable to the law or the balance is transferred to a successor employer who acquires the liable business.

reserve ratio – the comparison, expressed as a percentage, of contributions in an employer's reserve to the employer's average annual payroll as of the computation date.

re-qualifying – term used to indicate that a claimant who was disqualified is now eligible to receive benefits.

segregation of wages – the segregable and identifiable portion of experience rating records of a business which has been acquired or disposed of by a liable employer.

successor – the employer who acquired all or part of an existing liable employer's business.

taxable wages on Employer's Quarterly Wage and Tax Report – effective January 1, 2010, the remuneration up to the first \$7,700 paid in the calendar year to each individual by an employer or his predecessor for services in employment. The wage base may vary based on the Unemployment Trust Fund balance.

ten X – condition that a disqualified claimant must meet to re-qualify for benefits — getting a new job and receiving insured earnings that are 10 times that person's weekly benefit amount and then losing the new job for non-disqualifying reasons.

total wages – all remuneration for services, including vacation pay, holiday pay, dismissal pay, commissions, bonuses, and the cash value of all remuneration in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the Administrator.

unemployment insurance – a program designed to provide money to persons who are temporarily or permanently separated from employment due to no fault of their own.

voluntary contribution – a one-time, optional, annual contribution submitted by an employer within a specified period in order to potentially lower his rate for the forthcoming calendar year by increasing his reserve balance. It is not mandatory and cannot be used as such if any outstanding delinquent balance exists on the account.

wage report – a listing of each individual worker's name, social security number, and total wages earned during the calendar quarter.

wages in excess on Employer's Quarterly Wage and Tax Report – wages paid to each employee who earned over \$7,700 in a calendar year effective January 1, 2010. See 'taxable wages' above.

weekly benefit amount (WBA) – amount a person may receive as weekly benefits. If the total base period wages are not less than \$1200 and equal at least one and one-half times the wages in the highest quarter of the base period, the weekly benefit amount will equal about 5 percent of the quarterly average of the total wages for insured work earned during the base period. The WBA can vary from \$10 to \$258, depending upon the claimant's base period earnings and other factors in effect at the time a claim is filed.

Links to Resources for Employers

Employer Application for LA Unemployment Account:

<https://laors.laworks.net/LaLogin/Login/>

Register online to receive a LA UI tax account number.

Employer's Report of Change:

<https://laors.laworks.net/LaWats/>

Make changes to your account information online.

Application and Agreement for Partial Transfer of Experience Rating Record:

<http://www.laworks.net/Downloads/UI/segform.pdf>

This form is mandatory for all partial successions. Complete and submit this form if your business acquired only a portion of an existing business.

Louisiana Unemployment Insurance Tax Rates:

http://www.laworks.net/UnemploymentInsurance/UI_LAInsuranceTaxRates.asp

In-depth information and schedules regarding UI tax rates.

Wage and Tax Reporting Services Information:

http://www.laworks.net/UnemploymentInsurance/UI_WageTaxReportingOverview.asp

Information and links to submit wages, amend a report of wages, review a report already filed online, make an online tax payment, view benefit charges, and view annual tax rate notices.

Electronic Funds Transfer (EFT) Authorization Agreement:

<http://www.laworks.net/Downloads/UI/WTS/eftauthorization.pdf>

Semi-interactive form for ACH credit authorization for LWC UI Tax Payments

Social Security Number Correction Form:

http://www.laworks.net/Downloads/UI/WTS/SSN_Correction_Form.pdf

To correct invalid or zero social security numbers reported on the Employer Wage & Tax Report

Employer's Request for Approval to Elect to Cover Multi-State Workers:

<http://www.laworks.net/Downloads/UI/EmployerMultiStateRequest.pdf>

Submit this form to receive a determination from the interested jurisdictions.

Employee Notification of Coverage of Multi-State Worker:

<http://www.laworks.net/Downloads/UI/EmployerMultiStateNotification.pdf>

Use this form to notify employees of the election to report wages to Louisiana for unemployment insurance purposes.

Form LWC 77 Separation Notice Alleging Disqualification:

<https://www.laworks.net/Form77/>

Submit an employee separation notice online.

Benefit Charge Protest:

<http://www.laworks.net/Downloads/UI/BenefitChargeProtestForm.pdf>

Semi-interactive application to protest Benefit Charges.

Helping Individuals Reach Employment (HiRE):

<https://www.louisianaworks.net/hire/vosnet/Default.aspx>

Wage and labor data, reemployment services, youth and veteran services, education and training information.

Report Fraud:

<http://www.laworks.net/FraudMenu.asp>



Louisiana Workforce Commission
Office of Unemployment Insurance
Post Office Box 94186
Baton Rouge, LA 70804-9186

An Equal Opportunity Employer/Program
Auxiliary aids and services are available upon request to individuals with disabilities.
TDD # 800-259-5154

