



Employer Guide to Unemployment Tax

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Introduction

The *Employer Guide to Unemployment Tax* contains information employers need to comply with Florida's Unemployment Compensation Law. This guide provides simplified explanations of the taxing procedures of the law. It is not intended to take precedence over the law or rules.

Background

Every state has an Unemployment Insurance Program. Unemployment insurance provides temporary income payments to make up part of the wages lost by workers who lose their jobs through no fault of their own, and who are able and available for work. It is job insurance paid for through a tax on employee wages. The Unemployment Insurance Program supports reemployment services through local One-Stop Career Centers located throughout the state.

The Federal Unemployment Tax Act provides for cooperation between state and federal governments in the establishment and administration of the Unemployment Compensation Program. Under this dual system, the employer pays payroll taxes levied by both the state and federal governments.

Classification of Workers

Employers must understand how to determine whether a worker is an employee or an independent contractor, so they can correctly include all employees on their Employer's Quarterly Report (UCT-6). One main distinction is that an employee is subject to the will and control of the employer. The employer decides what work the employee will do and how the employee will do it. An officer of a corporation who performs services for the corporation is an employee, regardless of whether the officer receives a salary or other compensation.

An independent contractor is not subject to the will and control of the employer. The employer can decide what results are expected from the independent contractor, but cannot control the methods used to accomplish those results. How the worker is treated, not a written contract or issuance of a 1099, determines whether the worker is an employee or an independent

contractor.

Misclassification of workers is not just a tax reporting issue; it also affects claims for unemployment compensation benefits. If a person files a claim for benefits and the employer has not been including the person on the quarterly report, this can cause a delay in benefit payments.

State Unemployment Tax Act (SUTA)

All unemployment tax payments are deposited to the Unemployment Compensation Trust Fund for the sole purpose of paying benefits to eligible claimants. The employer pays for this Unemployment Compensation Program as a cost of doing business. Workers do not pay any part of the Florida unemployment tax and employers must not make payroll deductions for this purpose. Employers with stable employment records receive credit in reduced tax rates after a qualifying period.

Federal Unemployment Tax Act (FUTA)

Federal unemployment taxes are deposited to the FUTA Trust Fund and administered by the United States Department of Labor (USDOL) for funding the administrative costs of state unemployment compensation, One-Stop Career Centers, and part of Labor Market Statistics Programs. The USDOL is also charged with monitoring state Unemployment Compensation Programs and can withhold funds from a state if it does not comply with federal standards.

Reporting Wages and Paying Unemployment Taxes

General Liability Requirements

A business is liable for state unemployment tax if, in the current or preceding calendar year, the employer: (1) has paid at least \$1,500 in wages in a calendar quarter; or (2) has had at least one employee for any portion of a day in 20 different calendar weeks in a year; or (3) is liable for the Federal Unemployment Tax as a result of employment in another state.

Special Liability Requirements for Specific Employer Types

Nonprofit Employers

Coverage is extended to employees of nonprofit organizations (such as religious, charitable, scientific, literary, or education groups) that employ 4 or more workers for any portion of a day in 20 different calendar weeks during the current or preceding calendar year. Exceptions to this coverage are churches and church schools. For purposes of the Florida Unemployment Compensation Law, a nonprofit organization is defined in section (s.) 3306(c)(8) of the Federal Unemployment Tax Act and s. 501(c)(3) of the Internal Revenue Code (IRC).

Governmental Entities

Coverage is also extended to employees of the state of Florida and any city, county, or joint governmental unit.

Indian Tribes

Coverage is extended to employees for service performed in the employ of an Indian tribe, as defined by s. 3306(u) of the Federal Unemployment Tax Act, provided the service is excluded from employment as defined by that act solely by reason of s. 3306(c)(7) of the act and is not otherwise excluded from employment under the Florida Unemployment Compensation Law. For purposes of the Florida Unemployment Compensation Law, the exclusions from employment under s. 443.1216(4), Florida Statutes (F.S.), apply to services performed in the employ of an Indian tribe.

Reimbursement Option

Nonprofit organizations, governmental entities, and Indian tribes, have the option of being taxpaying employers or reimbursing employers. A reimbursing employer is one who must pay the Unemployment Compensation Trust Fund on a dollar-for-dollar basis for the benefits paid to its former employees. Wage reports are submitted each quarter and the reimbursement of benefit charges are paid when billed. The employer choosing the contributory method must submit quarterly reports and payments by applying their tax rate to taxable wages on a quarterly basis.

To select a reporting method, the employing unit must complete and sign a special form selecting a payment method for a minimum two-year period. If the employing unit wishes to change its method of payment, it must submit a written application no later than December 1st of the second year of reporting, requesting to change methods on January 1st of the following year.

Agricultural Employers

Agricultural employers who in the current or preceding year paid \$10,000 in cash wages in a calendar quarter or who employed five or more workers for any portion of a day in 20 different calendar weeks will become liable employers. Employers with a liability under this provision, will also need to report any other employees (except domestic workers). The other employees must be reported even if their employment was of one or more workers for **less than** 20 different weeks or the wages paid were **less than** \$1,500 in any one quarter.

Employers of domestic employees who in the current or preceding year paid \$1,000 in cash wages in any one calendar quarter are liable. Employers liable under this provision must not report general employees or agricultural employees unless they also establish liability under these other provisions of the law.

Likewise, employers liable for their general employment must not report domestic workers or agricultural workers unless they also establish liability in these categories. In making a determination of liability, the wages paid in agricultural employment and in domestic employment must be counted separately from wages paid in other types of employment.

Domestic Employers

Employers of employees who perform domestic services (maids, cooks, maintenance workers, chauffeurs, social secretaries, caretakers, private yacht crews, butlers, and house-parents) who in the current or prior year paid \$1,000 in cash wages in any one calendar quarter are liable to report wages and pay unemployment tax. Employers liable under this provision must not report general employees or agricultural employees unless they also establish liability under other provisions of the law.

The **“Coverage Requirements”** chart illustrates coverage requirements for four different employers (A, B, C, and D). Columns two, three, and four list employment for each sample employer and the column on the far right lists the coverage (liability) required.

Voluntary Coverage

Employers who are not otherwise liable under the law may apply for voluntary coverage for their employees. Employers liable for one type of employment (general, for example) may elect to cover their employees in other types of employment (agricultural and/or domestic). Selection of voluntary coverage obligates an employing unit to report wages and pay tax for a minimum of one calendar year. Coverage remains in effect until the employer provides written notice, by April 30th, to terminate coverage for the current year. A form (UCS-2) for election of coverage may be downloaded from our Internet site at www.myflorida.com/dor.

Employer-Employee Relationship

Employment means any service performed by an employee for an employing unit. An **employee** is an individual as defined under the common law rules for employer-employee relationships. An employee is a person who is subject to the will and control of the employer not only as to what shall be done, but how it shall be done.

Any **officer of a corporation** performing services for the corporation is considered an employee during their tenure of office, regardless of whether compensation is received. Compensation, other than dividends on shares of stock and board of director fees, shall be presumed to be payment for services performed.

Any **member of a limited liability company** classified as a corporation for federal income tax purposes who performed services for the limited liability company is an employee of the limited liability company.

Sales personnel are considered covered employees. The fact that a salesperson working for an employer is paid solely by commission does not remove the person from the employer’s direction and control. The law provides specific exemptions for real estate agents, insurance agents, and barbers who are paid solely by commission. If they are paid by salary only or by salary and commission, both are taxable and the exemption does not apply.

An **employing unit** is the person, limited liability company, partnership, or corporation for whom service is performed. Common law recognizes a master-servant relationship in the exercise of will and control by the employer over the employees. The employer can direct what services will be performed, when and where they will be performed, and can set standards for the quality of work to be performed.

Coverage Requirements				
Employer Examples	Agricultural Employers	Domestic Employers	General Employers	Subject to Unemployment Tax
	\$10,000 payroll in any quarter or 5 employees for 20 weeks within a calendar year	\$1,000 payroll in any quarter	\$1,500 payroll in any quarter or 1 employee for 20 weeks within a calendar year	
Employer A	\$5,000 payroll & 5 employees for 10 weeks	\$1,500 payroll	\$1,000 payroll & 1 employee for 4 weeks	Domestic coverage only
Employer B	\$10,000 payroll & 5 employees for 20 weeks	\$2,000 payroll	\$1,500 payroll & 1 employee for 15 weeks	Agricultural, Domestic, and General coverage
Employer C	\$25,000 payroll & 18 employees for 20 weeks	\$500 payroll	\$1,000 payroll & 1 employee for 15 weeks	Agricultural coverage only
Employer D	\$5,000 payroll & 2 employees for 10 weeks	\$200 payroll	\$10,000 payroll & 4 employees for 10 weeks	General coverage only

In **agricultural labor**, either the farm operator or the crew leader may be considered the employer. An individual must hold a valid certification of registration under the Farm Labor Contractor Registration Act of 1993 to be a crew leader. The **crew leader** is the employer if he or she (1) provides the crew, (2) supervises the work being performed by the crew, (3) has the right to terminate employment, and (4) is responsible for the payment of wages to the workers.

The **farm operator** is the employer if (1) the individual is an employee of the farm operator under common law rules of master and servant, or (2) the worker is furnished by the crew leader, but is not treated as an employee of the crew leader, i.e. the crew leader is acting on behalf of the farm operator rather than as an employer, or (3) the crew leader has entered into a written agreement with the farm operator under which the crew leader is designated as an employee of the farm operator.

An **independent contractor** is not subject to the will and control of the employer. The employer does not have the right to control or direct the manner or method of performance, although the results to be accomplished are controlled. Independent contractors hold themselves out to the public as such. Generally, they furnish materials as well as labor and use their own tools in the performance of the work. Services performed by independent contractors cannot be summarily terminated without recourse. A contract for labor only will normally be considered a contract of employment. How the worker is treated, not a written contract, determines employment status.

Employment Not Covered

Several types of employment are not covered for unemployment compensation purposes and the workers performing these types of employment are not considered in determining an employer's liability. Some of these exemptions include:

- Services by a sole proprietor or a partner, or a partner or a member of a limited liability company classified for federal income tax purposes as either a partnership or a sole proprietorship.

- Services by employees of a church, convention, or association of churches; or of organizations operated for religious purposes and which are operated, supervised, controlled, or principally supported by a church, convention, or association of churches.
- Services of a duly ordained, commissioned, or licensed minister of a church in the exercise of the ministry, or by a member of a religious order, in the exercise of duties required by such an order.
- Services for a school, college, or university, by a student enrolled and attending classes.
- Services by certain students working for credit on a program combining academic instruction with work experience, such as CBE (Cooperative Business Education) or DCT (Diversified Cooperative Training) students.
- Services performed for a son, daughter, or spouse, including step relationships and by children or stepchildren, under the age of 21 for their father or mother. When the employing unit is a partnership, an exempt relationship must exist to all partners or there is not an exemption. This exemption does not apply to corporations.
- Services performed by insurance agents, real estate agents, or barbers when paid solely by commission.
- Services performed on a fishing vessel that weighs ten net tons or less.
- Services performed as a student nurse in the employ of a hospital or a nurses training school, by an intern in the employ of a hospital, or by a hospital patient.
- Services in a rehabilitation facility for the mentally handicapped, or physically handicapped or injured, by persons receiving such rehabilitative service.
- Services by persons under age 18 in the delivery or distribution of newspapers.
- Services performed by nonresident aliens, who are temporarily present in the United States as non-immigrants under subparagraph (F) or (J) of s. 101(a)(15) of the Immigration and Nationality Act.

- Services performed by aliens in agricultural labor, who have entered the United States pursuant to SS 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act.
- Services performed for the government by elected officials; by members of the legislature; by members of the judiciary; by those serving on a temporary basis in cases of fire, storm, snow, earthquake, flood, or similar emergencies; or by those serving in an advisory capacity.
- Services by direct sellers who are contracted to sell or solicit consumer goods to homes or any place other than a permanent retail establishment and whose substantial remuneration is directly related to sales.
- Services performed by speech, occupational, and physical therapists who are non-salaried and working pursuant to a written contract with a home health agency as defined in s. 400.462, F.S.
- Services performed by a driver for a private delivery or messenger service if the driver pays all expenses, owns the vehicle and pays all operating costs, is paid by delivery or on commission, is free to accept or reject jobs, determines routes and methods of performance, and has a contract stating the driver is an independent contractor.
- Services performed by inmates of a penal institution.
- Services performed by election officials or election workers who are paid less than \$1,000 in a calendar year.

Required Reports

Employer Registration Report

A new business is required to report its initial employment in the month following the calendar quarter in which employment begins; however, submission of quarterly reports alone is not sufficient to register as an employer.

An Application to Collect and/or Report Tax in Florida (DR-1) must be completed to provide the necessary information to determine if the employer is liable for the payment of unemployment tax as provided by law. Enrollment can be completed on-line at www.myflorida.com/dor.

When an employer is determined to be subject to unemployment tax, a seven-digit account number will be assigned, such as 1234567. **This Account Number Should Appear on All Letters, Checks, and Reports Sent to the Department.**

Successions

There are special requirements for successor accounts. See "Successor Accounts" under the "Tax Rate" section in this guide.

Employee Leasing Companies

An employee leasing company maintains the records required by unemployment compensation law for its client companies. The employee leasing company must be licensed by the Department of Business and Professional Regulation. The client companies contract with the employee leasing company to provide workers to perform services for the client. The leased employees are placed on the employee leasing company's payroll on behalf of the client company. The employee leasing company submits the required reports and pays the taxes. The leasing company must notify DOR within 30 days of the initiation or termination of the company's relationship with the client company.

Employee leasing companies must submit a list to DOR that identifies all clients by name, address, industry, and work site descriptions, and also lists the name and social security number of each leased worker under the appropriate client. The client lists must cover the six-month periods ending June 30 and December 31 of each year. The lists will be considered late after August 1 and February 1, respectively.

Common Paymaster

Related corporations with employees performing services simultaneously for the related corporations may apply to DOR for authorization to utilize a common paymaster arrangement. This allows one of the related corporations to report and pay unemployment tax rather than each corporation reporting separately for the period of concurrent employment.

Form UCS-70 for common paymaster reporting must be received by DOR prior to the first day of the quarter in which common paymaster status is requested. Once the application is approved, the common paymaster must submit a *Quarterly Common Paymaster Concurrent Employment Report* (UCS-71), along with the quarterly report. Failure to do so will result in the related corporations being denied common paymaster status for that calendar quarter. The related corporations must meet certain criteria before common paymaster reporting and paying can be considered.

Payrolling

Payrolling is an agreement between employers whereby payrolls for two or more employers are consolidated for tax purposes with one employer reporting the employees of the other(s). Payrolling is not permitted; each employer must file an *Application to Collect and/or Report Tax in Florida* (DR-1) and report its own employees.

Power of Attorney (POA)

A completed POA, Form DR-835, is necessary for an employer's agent or representative to receive confidential information and to act on behalf of the employer about matters concerning the Florida Unemployment Compensation Program. The POA must be completed in its entirety and must contain the original signature of the employer as well as the date signed. It is recommended the POA be notarized or witnessed for the protection of the employer's records. This form can be downloaded from our Internet site under Forms and Publications.

Submission of a POA does not constitute an address change. A change of mailing address should be requested by separate written documentation. A POA supersedes and revokes any prior one submitted regarding the same subject matter for that employer.

Memorandum of Understanding (MOU)

The MOU is an agreement between DOR and an employer representative, who has 500 or more unemployment tax clients, authorizing DOR to release tax rate information only. Under the MOU, the representative certifies that it has on file a current POA from the client authorizing DOR to release the requested information to the representative.

Tax and Wage Reporting

Where to Report Employees

If the employer has employees working in more than one state, it may be necessary to register as an employer with another state's Employment Security Agency. There are four tests to determine to which state an employee should be reported:

1. Localization of Services
 2. Base of Operations
 3. Place of Direction or Control
 4. Residence
1. **Localization of Services** - If all services are performed in Florida, the employee should be reported to Florida. If a majority of the employee's time is for services in Florida, with only occasional or short-term duty in another state, wages should be reported to Florida. Only when services are balanced between two or more states is any other test necessary.
 2. **Base of Operations** - The base of operations is the fixed place or center from which the employee works. The employee would return there to replenish stock, receive employer instructions, receive mail or telephone messages from customers, repair equipment, etc. For example, if services are performed in Florida, Alabama, and Georgia, and the employee's base of operations is in Florida, wages are reportable to Florida. If no services are performed in the state housing the base of operations, the state from which services are controlled should be considered.

3. **Place of Direction or Control** - The place of direction or control is the state from which the employer's authority is exercised. The company headquarters usually exercises this control rather than a direct supervisor or a foreman stationed in the field. If employer control is from the Florida headquarters, and service is performed only in Florida and Georgia, the employee is reported to Florida, although there is a base of operations or residence in Alabama. If control is from Alabama, and service is in Florida, Georgia, and Tennessee, and there is no base of operations, then the employee's residence test should be used.
4. **Residence** - The residence is where the employee refers to as "home," where the employee actually lives and is registered to vote. For instance, the employee would be reportable to Florida if the place of residence is Florida and services are not performed in Alabama, where the employer is headquartered.

Reciprocal Coverage Agreement (RCA)

The RCA permits an employer to report all of the services of a worker who customarily performs services on a continuing basis in more than one state, to one selected state. An election to do so may be filed with any jurisdiction (state) in which:

- any part of the individual's services are performed; or
- the worker resides; or
- the employer maintains a place of business to which the worker's services bear a reasonable relation.

RCA forms must be initiated by the employer in the state that the employer has selected as the reporting state. If approval is granted by the state of origination, the forms will then be sent to all of the jurisdictions (states) named for their

approval. The election will become effective if the originating state and one or more of the named states approve it. In cases where an election is only approved in part, the employer may withdraw the request within ten (10) days of being notified.

This type of election is only applicable to the individuals named in the agreement. The Department must be notified of all individual changes and new approvals negotiated. Reciprocal Coverage Agreements are never made as blanket approval. The agreement may be terminated if the Department discovers there has been a substantial change in the employer's operations or in the actual employees now serving the employer as multi-state workers.

An employer who has employees in other states and does not meet the requirements to establish an RCA will be required to report these employees to the other states.

Employer's Quarterly Report (UCT-6)

Every quarter a preprinted *Employer's Quarterly Report* (UCT-6) is mailed to each liable employer who does not file and pay electronically. Employers with individuals who perform domestic service and who are approved to file annually, are mailed an *Employer's Unemployment Tax Annual Report for Employers of Domestic Employees Only* (Form UCT-7) in December of each year.

Failure to receive this reporting form does not relieve employers of their filing responsibility. If you do not receive the form, you may obtain one from our Internet site at www.myflorida.com/dor or by contacting Taxpayer Services. Contact information is listed at the end of this guide.

The Employer's Quarterly Report must be submitted by the end of the month following the calendar quarter for which the report is due. Annual Reports for Employers of Domestic

Calendar Quarter	Report Must Be Postmarked No Later Than
January 1 - March 31	April 30
April 1 - June 30	July 31
July 1 - September 30	October 31
October 1 - December 31	January 31

Employees are due January 1 and late after January 31 each year. Payments made by Electronic Funds Transfer (EFT) or on the Internet must be initiated by 5:00 p.m., ET, on the business day prior to the payment due date to be considered timely.

If a tax due date falls on a Saturday, Sunday, legal holiday, or legal holiday of the jurisdiction in which the taxpayer's financial institution is located, the deposit by electronic funds transfer is required on or before the first banking day thereafter. If the date on which the taxpayer is required to initiate an electronic payment falls on a Saturday, Sunday, or a business or banking holiday, the taxpayer must initiate the transaction on the preceding business day. A calendar of all electronic payment due dates (Form DR-659) is posted on our Internet site at www.myflorida.com/dor.

The **TAX** portion of the quarterly report is used to record information needed to compute and verify the amount of tax owed by the employer. This information includes gross wages paid for covered employment, wages in excess of the taxable limit, and taxable wages.

Some information requested on the tax portion is required by the federal government and is used for statistical purposes, such as the number of all full-time and part-time covered workers who performed services during or received pay for the payroll period including the 12th of the month.

The **WAGE** portion is used to determine eligibility for unemployment compensation benefits when a claim is filed. The employer must list the name, social security number, and wages for all employees. Employee information is maintained in the wage record file and is used in the event a claim for benefits is filed.

- **Social Security Numbers** - Incorrect or missing social security numbers can cause wages to be credited to the wrong individual, which could result in payment of benefits to an individual who does not meet the unemployment compensation eligibility requirements.

Note: Social security numbers (SSNs) are used by the Florida Department of Revenue as unique identifiers for the administration of Florida's

taxes. SSNs obtained for tax administration purposes are confidential under sections 213.053 and 119.071, Florida Statutes, and not subject to disclosure as public records. Collection of your SSN is authorized under state and federal law. Visit our Internet site at www.myflorida.com/dor and select "Privacy Notice" for more information regarding the state and federal law governing the collection, use, or release of SSNs, including authorized exceptions.

- **Total Wages Paid** - All compensation or payment for employment, including commissions, bonuses, back pay awards, and the cash value of all compensation paid in any medium other than cash must be reported. Total wages for the period must be reported in the period in which they were paid, not the period in which they were earned. The amount of benefits available to an eligible claimant is based on total wages paid. Failure to accurately report wages increases the possibility of incorrect benefit payments to an eligible claimant or payment of benefits to an individual who does not meet the unemployment compensation eligibility requirements.

Employers Must Submit A Report Every Quarter Regardless Of Employment Activity.

An employer may not have to pay tax for a particular quarter because there were no employees or all wages were excess wages. Even though no tax is due, a report must be filed and the penalty provisions of the law apply if the report is filed late.

Taxable Wage Base

The taxable wage base in Florida is the first **\$7,000** in wages paid to each employee during a calendar year.

If an employee works for two or more employers, each of the employers is required to pay tax on the first **\$7,000** of wages paid without regard to earnings with any other employer. However, when a business is transferred, the successor employer may count wages paid to an employee by the predecessor employer for purposes of determining the taxable wage base, whether or not a transfer of experience rating record is elected.

For Example: An employer buys a business April 1st. One of the employees has been paid \$5,000 in the first quarter and will earn \$5,000 in the second quarter. The successor can count the \$5,000 in the first quarter in determining the taxable wage base. Therefore, the successor will only have to pay unemployment tax on \$2,000 for the second quarter.

On occasion, multi-state employers will have employees who perform services in another state and then transfer to Florida. The employer can take credit for wages reported to another state up to \$7,000, when calculating taxable wages reportable to Florida.

For Example: An employee earns \$5,000 in the first quarter in the state of New York and then is transferred to Florida. While in Florida, the employee earns \$4,000 in the second quarter. As the employer has already paid tax on wages of \$5,000 to New York, the tax payment to Florida would be based on wages of \$2,000, with the balance being excess wages. Use the *Employer's Quarterly Report for Out-of-State Wages* (UCT-6NF) to report these wages.

A liable employer who also becomes liable for agricultural or domestic employees will report them on the quarterly report as another unit of business. Wages for these employees will be taxable at the same rate assigned to the present account.

For Example: An employer has three office workers covered by unemployment compensation and has a tax rate of .0120 (1.2%). Effective January 1st, the employer will be liable for eight agricultural workers. The employer will pay .0120 for the quarter beginning January 1st on all employees including the agricultural employees.

Annual Filing Option

Employers of employees performing domestic services have the option to elect to report wages and pay tax annually, with a due date of January 1 and a delinquency date of February 1. In order to qualify for this election, the employer must employ only employees who perform domestic services, be eligible for a variation from the standard rate, apply for this program no later than December 1 of the preceding calendar year,

and agree to provide the Agency for Workforce Innovation or the Department with any special report which might be requested, including copies of all federal employment tax forms.

Reporting Wages

As a general rule, if the work promotes, advances, or aids the employer's trade or business and is not performed by a recognized independent contractor, the services are considered to be covered employment and the wages are taxable regardless of the amount of time employed and/or the amount of earnings.

Casual labor is work performed that is not in the course of the employer's regular trade or business and is occasional, incidental, or irregular. Casual labor should not be confused with temporary or part-time employment. Temporary or part-time employment is taxable, whereas casual labor is not. A corporation cannot have casual labor since all activities for a corporation must be in the course of the corporation's regular trade or business.

When determining whether or not payments constitute wages, and are reportable for unemployment compensation purposes, the common law rules applicable in determining the "employer-employee relationship" apply.

Taxable Wages

- Commissions are taxable, except real estate agents, insurance agents, and barbers paid solely by commission. If paid by salary only, or by salary and commission, both are taxable and the exemption does not apply.
- Bonuses.
- Back pay awards.
- Cash value of all remuneration paid in any medium other than cash.
- Corporate officers' wages - compensation other than dividends on shares of stock and board of director fees is presumed payment for services performed.
- Wages of shareholder-employee of S corporation - Also, all or part of the distribution of income paid to a shareholder-employee who is active in the business and performing services for the business may be considered wages.

- Tips, if received while performing services which constitute employment and are included in a written statement furnished to the employer, pursuant to s. 6053 (a), Internal Revenue Code (IRC).
- Cash value of vacation facilities, club memberships, and tickets to events.
- Financial planning assistance and retirement counseling fees.
- Nonqualified stock bonus incentive plan contributions made by the employer.
- Awards, gifts, and prizes over \$25.
- Interest from below market interest rate loans.
- Excess employee discounts.
- Cash value of meals and lodgings not for the employer's convenience.
- Cash value of prepaid group legal services.
- Golden parachute payments.
- After-death payments for wages earned prior to death.
- Wages in the form of insurance coverage plans (paid to insurance agents).
- Cash value of automobile for personal use.
- Cash value of air transportation for personal use.
- Wages of children or stepchildren working for a corporation.
- Wages of children or stepchildren working for a sole proprietor or partnership where no exempt relationship exists.
- Wages paid for temporary or part-time work.
- Wages paid for services performed outside the United States (except in Canada) by a citizen of the U.S. in the employ of an American employer, should be reported as employment wages if the employer's business or employee's residence is in the U.S.
- Wages paid for services performed in the employ of an Indian tribe.

or principally supported by a church, convention, or association of churches.

- Wages paid to a duly ordained, commissioned, or licensed minister of a church, in the exercise of the ministry, or by a member of a religious order, in the exercise of duties required by such an order.
- Wages paid for services at a school, college, or university, by a student enrolled and attending classes there.
- Wages paid to students working for credit in a program combining academic instruction with work experience, such as Cooperative Business Education (CBE) or Diversified Cooperative Training (DCT).
- Services performed for a son, daughter, or spouse (including step relationships); or by children or stepchildren under the age of 21 for their father or mother. When the employing unit is a partnership, an exempt relationship must extend to all partners for the exemption to apply. This exemption does not apply to corporations.
- Cafeteria Plan payments if they are not reportable to the Internal Revenue Service.
- Educational payments paid to, or on behalf of, an employee if the employer will be able to exclude such payments from income under s. 127, IRC.

Employer Multi-unit Reports

If an employer conducts business in more than one location in Florida, completion of a *Multiple Work-site Report* (BLS-3020) will be required on a quarterly basis. This form must be mailed separately from the Employer's Quarterly Report.

This form lists work-site specific name and address information for each unit on file. The employer must provide the number of covered workers each month and the total quarterly wages for each work site. The totals on the *Multiple Work-site Report* must agree with totals reported on the Employer's Quarterly Report. If work sites are acquired or sold, this should be noted in the comment section. Any missing name and address information should be completed by the employer.

Exempt Wages

- Wages paid to employees of a church, convention, or association of churches.
- Wages paid to employees of an organization operated for religious purposes, and which is operated, supervised, controlled,

The employment and wage figures provided on these reports are the primary sources for Florida's Labor Market Statistical Programs. The Office of Labor Market Statistics is then able to provide data on the average annual employment and wages in various industries and occupations, which allows computation of the state's rate of insured unemployment. Florida's Workers' Compensation Program uses average annual wages to determine maximum benefit amounts.

The labor market data is also used for determining education, employment, and training choices. Federal and state funds are allocated to workforce development programs based on the data. Therefore, it is important that all employers, including multiple units, have the most accurate industry codes. A complete description of the nature of the business should be provided on the *Application to Collect and/or Report Tax in Florida* (Form DR-1).

Reporting Medium

Alternative Forms Reporting

Alternative forms reporting is when an employer uses a software reproduction of a tax form. Employer representatives often use software packages to create these required reports. Representatives purchasing software packages from approved vendors do not need prior approval to submit reports. However, those representatives creating their own software will need to obtain approval from the alternative forms coordinator prior to submitting forms. Information on alternative forms reporting can be obtained from our Internet site at www.myflorida.com/dor. You can do a search for "alternative forms."

Electronic Reporting and Payment Requirement

Employers are required to file their current year unemployment tax reports (UCT-6) and pay tax electronically if they employed 10 or more employees in any quarter during the most recent state fiscal year (July through June). In addition, any person who prepared and filed unemployment tax reports for one hundred or more employers in any quarter during the most recent state fiscal year (July through June), must also file and pay current year unemployment

tax electronically. The penalty for failing to file by electronic means is \$10 per report and the penalty for failing to remit payment by electronic means is \$10 per submission.

To help taxpayers comply with the law, the Department offers Internet filing options that are safe, convenient, and free. Before you file and pay by electronic means, complete an online Enrollment/Authorization for e-Services on our Internet site.

Adjusting/Amending Your Report

Adjustments or amendments to quarterly reports that have been filed with the Department can be made by submitting a *Correction to Employer's Quarterly Report*, UCT-8A. The correct information must state the reasons for such adjustments, i.e., incorrect gross wages or the employee should have been reported to another state. An authorized signature is required before adjustments can be made.

If the employer did not file any employment reports, he or she must submit UCT-6 reports and pay tax and interest going back to the date of employment of the worker(s). The Department can require the employer to file returns as far back as 5 years. The Department can also require the employer to file amended returns as far back as 5 years.

When employment information or wages are omitted, the Department will send a request to the employer to get the missing information. It is to the employer's advantage to reply immediately, otherwise, penalties may be charged and incorrect or incomplete information could be processed to the employer's account.

New Hire Reporting

All employers, regardless of size, are required to report all new hires or rehires at the end of the first pay period following employment or re-employment. For information on New Hire Reporting, call 888-854-4791 or 850-656-3343. The toll free fax number for New Hire Reporting is 888-854-4762 or 850-656-0528 for local calls.

When to Notify the Department

Submit an *Employer Account Change Form* (UCS-3) with the Employer's Quarterly Report if one or more of the following business activities occur:

- Location change
- Ceasing employment
- Closing the business
- Use of an employee leasing firm
- Address change
- Add or change a business federal employer identification number
- Inactivating the business
- Incorporating the business (including professional associations)
- Incorporation change (such as S Corp to C Corp)
- Involuntary dissolution by the Secretary of State
- Legal entity change (such as partnership to corporation)
- Location changes (new ones added or old ones deleted)
- Mailing address change
- Partner or partnership change
- Sell all or part of a business
- Trade name change
- Bankruptcy - A copy of the Petition Notice issued by the court should be mailed to the Department of Revenue, Bankruptcy Section, PO Box 6668, Tallahassee, FL 32314.
- Authorization For Common Paymaster – Notify the Department on the *Application for Common Paymaster* (UCS-70).
- Power of Attorney - Notify the Department on the *Power of Attorney and Declaration of Representative* (Form DR-835).
- Purchase all or part of a business - Notify the Department on the *Report to Determine Succession and Application for Transfer of Experience Rating Records* (UCS-1S).

Inactivation of Account

An employer's account is made inactive when the employer ceases to have payroll and notifies the Department of the date this occurred. The account will automatically be inactivated if UCT-6 employment reports are submitted with zero gross wages for eight consecutive

calendar quarters. If an account is inactive and employment resumes, the Department must be notified, wages paid must be reported, and taxes must be paid. An *Application to Collect and/or Report Tax in Florida* (Form DR-1) must be completed in order to reopen the account or to have a new account number assigned if the previously assigned number is not available.

Termination of Liability

Termination of liability is not the same as inactivating an account. An employer's account is eligible for termination if the liability requirements have not been met for an entire calendar year. In this instance, application for termination of liability must be submitted no later than April 30 of the following year in order to be considered timely. Once an account is officially terminated, liability must be reestablished as described in this guide. Employers are responsible for submitting quarterly reports until they are officially notified that liability has been terminated.

Failure to Comply

Correct Payment and Timely Filing of Reports Will Reduce Costs.

One of the most important ways to save money is to receive credit for timely reporting of taxable wages. Wages which have been reported timely are used in the computation of an employer's tax rate. The more taxable wage credits the employer has, the lower the benefit ratio used in the tax rate computation. The timely reported wage credits are divided into the benefits charged to an employer's account over a prior three-year period. The employer has the sole responsibility of determining whether credit is received for taxable wages by filing reports in a timely manner. Employers with timely payments will also receive credit against FUTA taxes (see **Tax Rate-Federal Certification** paragraph on page 16).

Penalty and Interest Charged for Late Filing and Payment

Timely reporting will avoid charges for late reports and payments. If the quarterly tax is not paid on or before the due date, interest will be charged on the full amount of tax due at the rate of one percent (1%) per month. Failure to file reports timely will result in a penalty charge of \$25 per month or fraction of a month as long as the report is late.

Penalty for Failure to File Electronically

For employers who are required to file by electronic means, failure to do so will result in a penalty of \$10 per report. The penalty for failing to submit payments by electronic means is \$10 per remittance submission.

Tax Rate Consequences

Although penalties are assessed for late submission of reports, these penalties are small compared to failing to receive credit for taxable payrolls for tax rate purposes. **It is very important to mail quarterly reports and tax payments timely.** Completed quarterly reports must be submitted even if no tax is due.

Assessments

Failure to submit a report after being given reasonable opportunity to do so will result in an assessment of tax due. The Department will determine, based on the employer's tax history and other available information, how much tax the employer is assessed for the quarter.

Liens

Unpaid tax, interest, penalty, or fees may cause a lien to be placed against the employer's real estate or property.

Protest

If an employer protests liability under the unemployment compensation law or protests the tax rate assigned, the employer must file reports and pay taxes at the assigned tax rate pending an appeal of liability or the assigned tax rate. If the protest is ruled in the employer's favor, an adjustment or refund will be granted by the Department for applicable taxes paid.

Tax Audits and Required Employer Records

Audit Purpose

Tax auditors regularly carry out complete payroll audits of employers' books and records. The auditors use generally accepted auditing standards and procedures, covering a specified period of time during which an employer is liable for reporting under the law or is found to be liable as a result of the audit.

A well-planned and cost effective field audit program is an efficient means of ensuring compliance with state unemployment tax laws and timely collection of taxes on an equitable basis.

Records Required and Examined

The unemployment compensation law requires the records of an employing unit be open for inspection by the Department at any reasonable hour when the firm's business is normally conducted. The employer must maintain true and accurate work records for a period of five calendar years. If the employment records are not kept in Florida, the employer must designate a resident agent in Florida through whom such records may be obtained upon request.

The Florida Administrative Code outlines the specific information an employer is required to maintain in the payroll records. The types of records needed for an audit may include, but are not limited to: time cards, individual earnings records, check registers, check stubs, canceled checks, cash disbursement journals, payroll ledgers, payroll summaries, petty cash, work orders/invoices, master vendor files, general journals, general ledgers, income statements, balance sheets, UCT-6s (SUTA), form 940 (FUTA), forms 941, 942, 943 (as applicable), forms W-2 and W-3, forms 1099 and 1096, Schedule C (sole proprietor), form 1065 (partnership), partnership agreements, form 1120 and all attachments (C Corporation), form 1120S and all attachments (S Corporation), corporate charters, independent contractor agreements, and charts of accounts.

An employing unit may be held liable as an employer regardless of the number of workers employed. Adequate payroll records will reveal whether the employer has or has not met liability criteria for the payment of unemployment taxes.

Tax Rate

Regular

The method of determining varying tax rates assigned to taxpaying employers is referred to as "experience rating." Under the unemployment compensation law, an employer's experience rate is based on the employer's own employment records in relation to the employment records of all other employers.

The purpose of the experience rating provision is to keep the Unemployment Compensation Trust Fund at a stabilized percentage of the taxable payrolls reported by all employers. The experience rating provision also helps make sure employers pay their fair share based on their own experience rating. Variable adjustment factors and constant adjustment factors are computed yearly. These factors are used to help compensate the trust fund for the benefits paid to eligible claimants who worked for employers whose taxes were less than the amount of benefits paid, and benefit payments which are not chargeable to any employer's account. These charges are distributed to all rated employer accounts.

Once rated, an employer's tax rate may vary each year according to their employment experience. The tax rate can vary from the maximum of 5.4% (.0540) to the minimum rate of 0.10% (.0010) as mandated by law. Employers participating in an approved Short-Time Compensation Plan are subject to a rate of one percent (1%) above the current maximum rate. Even though an employer may no longer be participating in the program, all benefits charged as a result of Short-Time Compensation will be used in the tax rate computation.

Economic conditions resulting in abnormally high unemployment accompanied by high benefit charges cause a severe drain on the Unemployment Compensation Trust Fund. The effect is an increase in the adjustment factors, which in turn increases tax rates for all rated employers. Conversely, when unemployment is low, the adjustment factors decrease and tax rates for rated employers are reduced accordingly.

When an employer first becomes liable for the payment of unemployment taxes, the beginning tax rate is .0270 until the employer has reported for approximately ten quarters, depending on the quarter of the year the employer established liability. The account will then be rated by dividing the benefits charged to the account (seven quarters) by the taxable payroll on which wages were reported by the end of the quarter preceding the quarter in which the tax rate is to be computed. Once an account has completed the required quarters of reporting, it will then be considered for an experience rate at the beginning of each calendar year thereafter.

The payroll used in annual rate computations may vary from seven to twelve calendar quarters. The tax rate is computed using the sum of three factors:

- benefit ratio
- variable adjustment factor
- final adjustment factor

To obtain the variable adjustment factor, the benefit ratio is multiplied by a common multiplier, which varies from year to year. The final adjustment factor, which also varies from year to year, is the same for all employers and ultimately determines the minimum rate for the year.

Employer Tax Rate Notices (UCT-20) are mailed to employers immediately prior to the new tax rate effective date. A protest of the assigned tax rate must be in writing, within 20 days from the date the Unemployment Compensation Tax Rate Notice is mailed.

Any employer who has been billed for an outstanding tax debt for one year or longer, will be assigned the **penalty tax rate** of .0540 (5.4%) unless payment is received prior to the effective date of the new tax rate. Employers are notified of any outstanding tax debt by mail, with an Unemployment Tax *Summary of Amount Past Due* (UCT-27).

Successor Accounts

Any individual, partnership, or corporation, which becomes an employer by succession, has the option of transferring the predecessor's tax rate or taking the initial rate of .0270 (2.7%). If the new owner becomes liable by succession and elects to transfer the predecessor's tax rate, a

Report to Determine Succession and Application for Transfer of Experience Rating Records (UCS-1S), must be signed and returned within 30 days from the date the notification of option is mailed to the successor or the transfer will be denied. The form must have the signature of the owner or a corporate officer. (See Power of Attorney.)

If the new owner is already liable, and elects to transfer the predecessor's tax rate history, the UCS-1S must be signed, as stated above, and returned within 30 days from the date the notification of option is mailed to the successor. A tax rate will be computed based on the combined employer histories. If the form is not returned within 30 days, the transfer of records will be denied. If the successor does not elect the transfer, the new owner's existing tax rate will apply.

Any successor employer requesting transfer of experience rating records of the predecessor must submit payment, by certified funds, for any debt held by the predecessor, if any, within 30 days of the mailing date of the notice listing the total amount due or the transfer will be denied. Also, the successor's account will be charged with any benefits paid to the individuals who were former employees of the predecessor. These charges will be used in future tax rate computations.

If the new owner acquires only a portion of the predecessor's business, the successor is entitled to the experience rating records of that particular unit if qualifying conditions are met. In order to qualify for partial transfer, the successor employer must have notified the Department of the acquisition within 90 days of the date the succession began, otherwise, the transfer will be denied. A partial rate transfer may be granted if the UCS-1S is signed by both parties consenting to the rate transfer and all requested information is provided. Form UCS-1S will require the total number of predecessor employees before the transfer, the number of employees in the identifiable and separate unit transferred, and the date the transferred unit began employment while operated by the predecessor. The partial transfer form must be returned within 30 days from the date the notification of option is mailed

to the successor. If the form is determined to be late, the transfer will be denied.

When an employer buys an additional unit of business from another liable employer, the purchaser must submit Form DR-1 marked "AMENDED" to provide additional information concerning the purchase.

A company reporting several units of business must advise the Department if any of the units are sold. The names and addresses of the new owners as well as the dates of sale are required. This information may be submitted by a detailed letter or in a *Report to Determine Succession and Application for Transfer of Experience Rating Records* (UCS-1S).

Mandatory Transfers

Unemployment experience must be transferred whenever there is any common ownership, management, or control of two employers, and one of these transfers its trade or business (including its workforce), or a portion thereof, to the other employer. This requirement applies to both total and partial transfers of business.

Federal Certification

Every year the Department certifies to the federal government the amount of taxable wages, the amount of tax paid, and whether the tax was paid timely for each employer's account. This certification allows the employer to receive the maximum credit of 5.4% against the Federal Unemployment Tax for timely reports and payments to the state. If an employer has not reported and paid timely, the credit is limited to 90 percent of the amount which would have been allowable as a credit had the state tax been paid on time.

For Example: An employer's total taxable wages for 2008 were \$100,000. The Federal Unemployment Tax based on 6.2 percent would be \$6,200 ($\$100,000 \times .0620$); however, the employer has reported and paid the state unemployment compensation tax before January 31, 2009. The employer can then claim credit for \$5,400 ($\$100,000 \times .0540$) against the Federal Unemployment Tax and would have to pay only \$800 additional tax. If the employer had not reported and paid taxes timely, the credit allowed would have been \$4,860 ($\$5,400 \times .90$) against \$6,200 owed and the additional

tax due would have been \$1,340. Paying state unemployment tax timely saved the employer \$540 (\$1,340 - \$800) in Federal Unemployment Tax.

Benefits

A separate guide (UCT-800001) outlining unemployment benefits is available on our Internet site under Unemployment Tax.

How Benefits are Charged and their Impact on Employers

Unemployment compensation benefits paid to eligible claimants are paid from the UC Trust Fund and are charged to employers on a percentage basis. The percentage chargeable is based on the amount of wages each employer paid the worker as compared to the worker's total wages for insured work during the base period of the claim. For example, if there were only two base period employers, each having paid \$3,000 in the base period, each would be chargeable with 50 percent of the benefits paid to the claimant.

Benefit payments made to any eligible claimant must be charged to the taxpaying employer's experience rating record when the employer pays the individual wages of \$100 or more within the base period of the claim. A taxpaying employer who pays less than \$100 within the base period will not be charged.

When it is determined that an individual was separated under disqualifying conditions, has refused suitable work, or when it can be established that the claimant received benefits improperly, benefits paid will not be charged to the account of the taxpaying employer; provided that the base period taxpaying employer has furnished this information to Unemployment Compensation Claims and Benefits of AWI. Benefits will not be charged to a taxpaying employer's account if an individual has been discharged for unsatisfactory performance during an established 90-day initial employment probationary period providing, (1) the employee was informed of the probationary period within the first seven work days, and (2) the employer replied to the notice (UCB-412) within the ten-day time limit.

Employers may also receive a UCB-9 notice requesting wage information for selected quarters within the base period. This form is initiated by a claimant's request for reconsideration when there is a disagreement over the amount of reported or unreported wages. The employer must respond to the request even though the wages have already been reported on the Employer's Quarterly Report (UCT-6) or the claimant has been disqualified.

Remember: Wages must be reported for the period in which they were paid, not earned.

A reimbursing employer is required to pay dollar-for-dollar for the percentage of benefits paid to eligible former employees. The percentage of benefit payments will be billed to the reimbursing employer on a quarterly basis. The law makes no provision to non-charge the account of a reimbursing employer.

In the event an individual who performed services for a reimbursing employer is disqualified, any benefits already paid will be billed and the reimbursing employer will be required to reimburse the full amount. Recovery of benefits improperly paid will result in a refund or credit to the reimbursing employer.

Employer's Checklist for Compliance

- Report all required data. Accurate social security numbers and all wage information paid must be reported for each employee. Your completed tax returns are due by the specific statutory due dates (January 31, April 30, July 31, and October 31). If paying by electronic funds transfer (EFT), your funds must be transmitted before 5:00 p.m., ET, on the business day prior to the payment due date. Remember, your account is debited on the business day following your transmittal.
- Post and maintain, in places readily accessible to your workers, the *Notice to Employees* (UCT-83) that satisfies your requirement under section 443.151(1), F.S., to make available information concerning benefit rights and claims for benefits. The notice can be downloaded at www.myflorida.com/dor.

- File all reports on time and respond to correspondence within designated time periods.
- Clearly delegate responsibility in your organization for the timely response to correspondence regarding unemployment tax or claims.
- Make sure you notify AWI of the correct mailing address to send correspondence concerning claims for benefits; and the Department of the correct mailing address of your unemployment tax account. You may specify separate addresses for the mailing of claims notices.
- Contact your local One-Stop Career Center for advice and assistance before making any layoffs.
- Prior to filing your Employer's Quarterly Report on an alternative form, make sure your format has been approved.
- Attend all Appeal hearings. The outcomes may affect your tax rate.
- Notify AWI to report suspected fraud or abuse of Florida's Unemployment Compensation Program. Call the fraud hotline at 800-342-9909 or submit the information online at **www.floridajobs.org/benefits/bpc/fraud.asp**.
- Notify your nearest Department of Revenue service center as soon as possible of any changes in ownership, location, or type of business activity.
- Your unemployment tax account number (a seven-digit number) should be included on all reports, checks, and correspondence. Correspondence concerning a former employee should include the employee's social security number in addition to your account number.
- For unemployment tax assistance, visit our Internet site at **www.myflorida.com/dor** or call Taxpayer Services at 800-352-3671.

Glossary

AWI - Agency for Workforce Innovation

Benefits - Unemployment compensation payments to eligible claimants.

Cafeteria Plan Exemption - Cafeteria plans always give the employee the option to receive cash as a benefit. When the cash option is chosen, the payments are considered wages and are subject to unemployment tax.

Calendar Quarter - A period of three consecutive months ending March 31, June 30, September 30, and December 31 of any year.

Casual Labor - Work performed that is not in the course of the employer's regular trade or business and is occasional, incidental, or irregular.

Claimant - A person who has applied for unemployment compensation benefits.

Common Paymaster - Related corporations with employees performing services simultaneously for the related corporations may allow one of the related corporations to report and pay unemployment tax rather than each corporation reporting separately.

Department - Florida Department of Revenue

Determination -

- A decision made by the Department regarding an employing unit's liability, tax rate, or assessment of taxes.
- A decision made by AWI regarding a claimant's monetary or non-monetary eligibility for benefits.

Electronic Funds Transfer (EFT) - The transfer of funds between accounts by electronic means. When a payment is made using EFT, funds are electronically transferred from the employer's bank to the Florida Department of Revenue's bank.

Electronic Reporting - The electronic transfer of tax report information to the Florida Department of Revenue. The electronic report replaces the paper report.

Employee Leasing Company - An employing unit which maintains a valid and active license under Chapter 468, F.S. (Also known as Professional Employer Organization.)

Employer - An employing unit that has met the criteria of liability for payment of unemployment tax.

Employing Unit - An employing unit is any person, partnership, corporation, association, trust, estate, Indian tribe, or trustee or receiver that has employed any person at any time.

Employment - Any service performed by an individual for an employing unit.

Excess Wages - Wages paid in excess of **\$7,000** per worker per calendar year. Excess wages are not subject to unemployment tax.

Gross Wages - All wages paid.

Independent Contractor - A person who is not subject to the will and control of the employer. The employer does not have the right to control or direct the manner or method of performance, although the results to be accomplished are controlled. Independent contractors hold themselves out to the public as such. Generally, they furnish materials as well as labor and use their own tools in the performance of the work. Services performed by independent contractors cannot be summarily terminated without recourse. A contract for labor only will normally be considered a contract of employment. How the worker is treated determines employment status, not a written contract.

Liabe Employer - An employer who is responsible for payment of unemployment tax.

Payrolling - Payrolling is an agreement between employers whereby payrolls for two or more employers are consolidated for tax purposes with one employer reporting the employees of the other(s). Payrolling is not permitted; each employer must file an *Application to Collect and/or Report Tax in Florida* (Form DR-1) with the Department and report its own employees.

Predecessor - The prior owner of a business unit.

Protest - A request for review of any determination made with respect to an employer's liability status, tax rate, assessment of taxes, or other action affecting any employer's account.

Redetermination -

- A written notice of review to a determination on a claim for benefits issued by AWI.
- A written notice of review to a determination involving an employer's liability, tax rate, assessment of taxes, or other tax matters issued by the Department. A redetermination is appealable.

Remuneration - Payment for goods produced or services provided.

Successor, Partial - An employing unit which acquires an identifiable and separate portion of the organization, trade, or business of another employer, provided the acquired part or unit would have been an employer subject to the law.

Successor, Total - An employing unit which has acquired the organization, trade, business, or substantially all the assets of an employer.

Tax Rate - The percentage used to compute unemployment tax.

Initial tax rate - 2.7% (.0270)

Maximum tax rate - 5.4% (.0540)

Taxable Wage Base - Wages of **\$7,000** per worker per calendar year.

Taxable Wages - Wages subject to unemployment tax under the law (up to and including **\$7,000**).

Total Wages - All wages paid. See "Wages."

Wages - Wages are payment for employment, including commissions, bonuses, back pay awards, and the cash value of all remuneration paid in any medium other than cash. The cash value of meals and lodging will be exempt if it is included as a condition of employment for the convenience of the employer. (Refer to **Employer-Employee Relationship**, paragraph beginning "**Sales personnel**" on page 4, for the exception of certain commissions being considered wages.)

Sick and accident disability payments paid by an employing unit to an employee in the six calendar months after the calendar month the employee stopped working are considered wages. Payments made under a workers' compensation law are not considered wages.

Tips are covered wages if received while performing services that constitute employment and are included in a written statement furnished to the employer.

For Information and Forms

Information and forms are available on our Internet site at **www.myflorida.com/dor**.

To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671.

Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.

For a written reply to tax questions, write:

Taxpayer Services
Florida Department of Revenue
5050 W Tennessee St Bldg L
Tallahassee FL 32399-0112

For claims information, contact the Agency for Workforce Innovation at 850-617-0410.

For appeals information, contact the Agency for Workforce Innovation at 850-921-3511.