



# 2021 Reemployment Tax Rate Questions Related to Tax Rate Recalculation

## EXTERNAL USE

### **Background Information**

Florida's 2021 reemployment tax rate has changed as a result of a new law. Passed by the Florida Legislature and signed into law by Governor Ron DeSantis, the changes exclude benefit charges from the second quarter of 2020 and prevent the application of a "positive adjustment factor." (Reference: [Chapter 2021-2](#), L.O.F.)

Reemployment tax is paid by employers, and the tax collected is distributed into the Unemployment Compensation Trust Fund for the sole purpose of paying reemployment assistance benefits to eligible claimants. Only the first \$7,000 of wages paid to each employee by their employer in a calendar year is taxable. Employers with stable employment records receive reduced tax rates after a qualifying period.

The Florida Department of Economic Opportunity (DEO) administers **reemployment benefits**, which provide temporary income to workers who lose their jobs through no fault of their own and who are able and available for work.

As a result of the new law, the minimum reemployment tax rate for 2021 will be .0010 (.10%) or \$7.00 per employee per year. The rate is imposed on annual wages of up to \$7,000 per employee. The maximum reemployment tax rate for 2021 is fixed in statute and will remain at .0540 (5.4%). The rate is effective for wages paid on or after January 1, 2021.

Contributory employers can expect to receive a revised *Reemployment Tax Rate Notice* (RT-20) in May 2021, and employers can see their new rate by logging in to their account online at [floridarevenue.com/taxes/filepay](http://floridarevenue.com/taxes/filepay). The RT-20 contains the employer's unique tax rate and is based on the employer's experience over the previous three years.

### **Frequently Asked Questions**

#### **1. Why did my rate go down?**

In 2020, the COVID-19 pandemic had catastrophic effects on businesses, and unemployment skyrocketed, which depleted Florida's Unemployment Compensation Trust Fund. Under Florida Law, reemployment tax rates increased to replenish the trust fund. However, the Florida Legislature passed, and Governor DeSantis signed into law, changes to the reemployment tax rate calculation that exclude benefit charges from the second quarter of 2020 and prevent the application of an increase in the costs shared by all employers to replenish the Unemployment Compensation Trust Fund. These changes will offset the negative consequences COVID-19 brought to businesses and will lower the 2021 tax rate for many contributory employers.

#### **2. Will all contributory employers see a reduction in their new tax rate for 2021?**

Employers who had an Earned Tax Rate (Reason Code G) or were at the Minimum Rate (Reason Code D) will see a decreased rate. Some employers at the Maximum Tax Rate (Reason Code E) will see a decreased rate. Employers at the Initial Tax Rate (Reason Code F), the Penalty Tax Rate (Reason Code A), the Standard Rate (due to audit noncompliance - Reason Code I), the SUTA Rate (Reason Code H) or the Standard Tax Rate (due to outstanding indebtedness - Reason Code B) will not see a rate change.

**3. I am a reimbursable employer. Did I get any relief from this new law?**

No, this new law only pertains to contributory employers. A new federal law, however, does provide relief to reimbursable employers by only requiring them to pay 25% of benefits paid from April 1, 2021 to September 5, 2021.

**4. Why didn't my rate go down?**

If you have an assigned rate, you will not see a rate change. This includes some employers at the Maximum Tax Rate (Reason Code E) and all employers at the Initial Tax Rate (Reason Code F), the Penalty Tax Rate (Reason Code A), the Standard Rate (due to audit noncompliance - Reason Code I), the SUTA Rate (Reason Code H) or the Standard Tax Rate (due to outstanding indebtedness - Reason Code B).

**5. What is the new minimum tax rate for 2021?**

With the recalculation of reemployment tax rates, the minimum rate for 2021 was reduced to .0010 (.10%) or \$7.00 per employee per year.

**6. Why do I have to file my first quarter report by April 30, but I don't have to pay until May 31st?**

Governor DeSantis issued [Executive Order #21-80](#) to extend the payment due date for the 2021 first quarter report to May 31, 2021. Because federal law does not allow for an extension to file the report, the Order did not extend the due date for the report. This means the report must be filed online or postmarked by April 30, 2021, and the payment must be postmarked on or before June 1, 2021, to be considered timely. If paying by electronic payments, to be considered timely the payment must be initiated and a confirmation number received no later than 5:00 p.m. ET, on May 28, 2021, and indicate a debit date of no later than June 1 (May 31 is a holiday). Payments may be scheduled up to 30 days in the future.

**7. I filed and paid my first quarter Employer's Quarterly Report using my original 2021 tax rate. My new 2021 rate is lower. Do I need to file a new report and request a refund?**

If you have already filed and paid and your new tax rate is less than reported, there is no need to amend the report, the system will automatically recompute the tax rate and issue a refund.

**8. When will I get my refund?**

Given that the payment due date has been extended to May 31, the Department anticipates processing these reports and begin issuing refunds in late June.

**9. I filed my first quarter *Employer's Quarterly Report* using my original 2021 tax rate but did not make the payment. My new 2021 rate is lower. Do I need to file a new report when I submit the payment?**

No, you do not need to file a new report. After the Department receives the *Employer's Quarterly Report* for the first quarter of 2021, we will issue a *Notice of Amount Due* (Form RT-27D) which will state the amount owed. The amount will be based on the taxable wages reported for the first quarter multiplied by your new tax rate.

If you mail your payment, you will need to include the *Notice of Amount Due* coupon with the payment and ensure it is postmarked by June 1.

If you pay electronically, you must initiate payment for the recalculated tax due amount no later than 5 p.m. ET on Friday, May 28, 2021 and indicate a debit date of no later than June 1 (May 31 is a holiday).

**10. Why am getting a bill? The tax due date was extended to May 31.**

The Department used the total “taxable wages” you reported on your first quarter *Employer’s Quarterly Report* (RT-6) for 2021, which was due April 30, 2021, and then multiplied the wages you reported by your new tax rate, which resulted in the tax due amount listed on the enclosed *Notice of Amount Due* (RT-27D). The Department is sending this notice to employers to assist you in paying the correct amount, based upon your new tax rate.

**11. When the 2021 rates were calculated in December, we were told the increased rates were necessary to replenish the Unemployment Compensation (UC) Trust Fund. If rates are now reduced and many employers are paying less reemployment tax, how will the Trust Fund be replenished?**

The new law requires the Department to make three distributions from the sales tax collected on remote sales (on or before July 25, 2021, August 25, 2021, and September 25, 2021), each in the amount of \$324,533,334, to the UC Trust Fund. In addition, beginning July 2022, and on or before the 25th day of each of the following months, the Department shall distribute \$90 million monthly to the UC Trust Fund. The Department is required to end monthly distributions when the Department receives certification from Florida Legislature’s Office of Economic and Demographic Research (EDR) that the ending balance of the UC Trust Fund exceeds \$4,071,519,600 or on December 31, 2025, whichever is earlier.

**12. Is there a payment plan option for paying the tax?**

There is a payment plan that provides for installments for any or all of the first three quarters of the year. If you are interested, review the information regarding [installment options](#) on the Department’s website.

*Note: The installment information is located on the Reemployment Tax Report and Payment webpage under the two accordions entitled Installment Payment Option and Frequently Asked Questions about Installment Payment Option.*

**13. I started my first quarter Employer’s Quarterly Report online using my original 2021 tax rate but paused because I heard lower rates might be coming. My online unfinished report still has the old rate. I checked my rate online and see that it has changed, but the online report I had started still shows the prior rate. Now what do I do?**

You should submit the report using the old rate, then follow the steps to cancel the submission. Wait about 30 minutes and restart a new first quarter report. The rates will have refreshed.

If you submit the report with the prior rate on or before April 30, 2021, and do not cancel and resubmit with the new rate, the Department will process your report with the new rate and send you a *Notice of Amount Due* (Form RT-27D), which will state the amount owed, assuming you did not submit payment with the report. The amount will be based on the taxable wages reported for the first quarter multiplied by your new tax rate. You must initiate payment for the recalculated tax due amount no later than 5 p.m. ET on Friday, May 28, 2021, and indicate a debit date of no later than June 1 (May 31 is a holiday). If you did submit payment, no additional submission is required. The Department will recompute the tax based on your new rate and issue a refund if applicable.

**14. I filed my first quarter Employer’s Quarterly Report electronically using the new 2021 tax rate and scheduled my payment for May 15 (or any day from May 7 – June). Why did I receive a bill?**

This may be a timing issue. If the payment you submitted matches the amount on the *Notice of Amount Due* (RT-27D), disregard the RT-27D. The Department used the total taxable wages

you reported on your first quarter *Employer's Quarterly Report* (RT-6) for 2021, which was due April 30, 2021, and then multiplied the wages you reported by your new tax rate, which resulted in the tax due amount listed on the enclosed *Notice of Amount Due* (RT-27D). If your scheduled payment was not received at the time the Department processed the report this notice was generated to assist you in paying the correct amount, based upon your new tax rate.

**15. I filed my first quarter Employer's Quarterly Report electronically in April using my original 2021 tax rate and scheduled my payment for May 15 (or any day from May 7 – June 1). My new rate is lower. What do I do?**

If you scheduled your payment for a future date using the new tax rate, or if the payment has already been made, there is no need to amend the report. The system will automatically recompute the tax rate and issue a refund.

**16. If I don't agree with this new tax rate determination, how do I protest?**

If you disagree with your tax rate determination, you must submit a written protest outlining the reasons for your protest on or before 20 days from the date on the RT-20. The protest should be directed to the Florida Department of Revenue as follows:

Mail: Department of Revenue  
Rate Protest  
PO Box 6510  
Tallahassee, FL 32314-6510

eMail: [Experience\\_Rating@floridarevenue.com](mailto:Experience_Rating@floridarevenue.com)

Fax: (850) 488-5997