

**State  
of  
Alabama**



**Department of  
Industrial Relations**

**EMPLOYER HANDBOOK**

**Unemployment Compensation Division**

**2004**

## HOW YOU CAN PROTECT YOUR EXPERIENCE RATING

TO PROTECT YOUR EXPERIENCE RATING YOU SHOULD:

1. Keep adequate records and retain them for a minimum of five years.
2. Answer every request for separation information within six work days from the mailing date of the request. [See Chapter 3 for details.](#)
3. Notify the Department in writing at the time you discharge an employee for a dishonest or criminal act, sabotage, an act endangering the safety of others, use of illegal drugs, refusal to take a drug test, or altering a drug test. [See Chapter 3 for details.](#)
4. Respond within 15 days to a Notice of Potential Charge to Your Tax Rating Account, if the employee left under potentially disqualifying circumstances or continues to work for you. See [Chapter 3 for details.](#)
5. Appeal determinations on claims believed to be incorrect within 15 calendar days from the mailing date of the notice. [See Chapter 3 for details.](#)
6. When it is necessary to lay off employees, rehire them as soon as possible in order to minimize benefit costs. [See Chapter 4 for details.](#)
7. Verify your Statement of Experience Rating Charges. [See Chapter 4 for details.](#)
8. Check your Tax Rate. [See Chapter 4 for details.](#)
9. File all reports and pay all taxes when due. [See Chapter 2 for details.](#)
10. Participate in the Department's New Hire Program. [See Chapter 7 for details.](#)

# **DEPARTMENT OF INDUSTRIAL RELATIONS**

## **Unemployment Compensation Division Administrative Offices**

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For a partial listing of telephone numbers and fax numbers of interest to employers,  
see the reverse side of this page.

DIR Website: <http://dir.alabama.gov/>

**Alabama Relay Center: 1-800-548-2546 (TTY ONLY)**

**or**

**1-800-548-2547 (VOICE ONLY)**

**HEARINGS AND APPEALS DIVISION**

Telephone: (334) 242-8475

Fax: (334) 242-2084

**SECTIONS OF BENEFIT OPERATIONS**

**Determinations and Adjustments**

Telephone: (334) 242-8680

Fax: (334)242-8337

**Interstate Claims and Redeterminations**

Telephone: (334) 242-8625

Fax: (334) 242-2016

**Federal Programs**

Telephone: (334) 242-8637

Fax: (334) 242-2018

**Special Programs**

Telephone: (334) 242-8635

Fax: (334) 242-2550

**SECTIONS OF TAX OPERATIONS**

**Audits and Cashiering**

Telephone: (334) 242-8075

Fax: (334) 242-2069

**Experience Rating**

Telephone: (334) 242-8888

Fax: (334) 242-2068

**Delinquency Control**

Telephone: (334) 242-8065

Fax: (334) 242-2083

**Status**

Telephone: (334) 242-8830

Fax: (334) 242-2067

**MISCELLANEOUS**

**Benefit Payment Control**

Telephone: (334) 242-8800

Fraud Hotline: 1-800-392-8019

Fax: (334) 242-0967

## Introduction

There are approximately 87,000 employers in Alabama covered by the Alabama Unemployment Compensation (UC) Law. Of these, 85,500 are considered contributory employers. This handbook is written for contributory employers. Separate chapters are included for governmental and non-profit employers.

This handbook is written to assist employers in their dealings with the UC program. The material touches on the main concerns of most employers. Some questions you have may not be covered and you are encouraged to contact the appropriate Sections of the UC Division for further information.

Statements in this handbook are general information. This handbook has been revised to reflect amendments to the Alabama UC Law through the regular session of the 1998 Legislature.  
**This handbook does not have the effect of law, rules, or regulations.**

The Alabama UC Law was passed in 1935. The UC program has undergone many changes over the years as a result of federal and state law amendments. An excellent short history of the major changes is available, separately, from the UC Division.

Another publication which may be useful is the "ABC's of Experience Rating." It provides more detailed information on the experience rating system used in Alabama.

A web site on the internet is available. It provides additional information generated by frequently asked questions. The address for this web site is on the opening page of this handbook. Information concerning Workers' Compensation, the Employment Service and other programs administered by the Department of Industrial Relations can be accessed from this web site. Links with the U.S. Department of Labor and other employment security programs are also maintained.

We are interested in your comments concerning this handbook. How can we make it more useful to you? If you have any suggestions for improvement or requests for other publications mentioned, please mail or fax them to:

**Unemployment Compensation Division  
649 Monroe Street Room 2466  
Montgomery, Alabama 36131-4200  
Fax: (334) 242-8258**

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## CHAPTER 1

### DETERMINING LIABILITY

#### WHO IS COVERED

Most employers doing business in Alabama are subject to the provisions of Alabama's UC Law. Coverage under the UC provisions of the Law depends upon the type and nature of the business, number of workers employed, or amount of wages paid.

Each employer must:

- Complete an "Application to Determine Liability", Form **SR2**, to furnish a record of employment. When this report has been submitted to the Department of Industrial Relations reflecting liability, the employer will be assigned an account number to be used to report wages and pay UC contributions. The account number must be shown on all subsequent correspondence and reporting forms.
- Display a poster to inform employees that the employer is covered under the Alabama UC Law. The poster will be furnished by the Department along with the employer notice of liability.
- File reports as required by law.
- Pay "contributions" in the amount and by the dates prescribed by law.

In general, an employer is covered and is liable for the payment of contributions if it meets the criteria found in part A of the Form **EL-1(SUP)**. Information on the Form **EL-1(SUP)** covers the following types of employers:

- Non-Farm Business Employers
- Household Domestic Employers
- Agricultural Employers
- Individual Owners
- Partners
- Coverage Under the Federal Unemployment Tax Act (FUTA)
- Successors-in-interest
- Non-Profit Organizations

If the owner of a non-farm business or industry also employs agricultural workers on a farm or domestic workers in a private household, liability under the agricultural, domestic, or business provisions of the law will be determined separately. As these different types of employment for the same legal entity must be reported separately, a master account will be assigned with subsidiary accounts for each type of employment. After this determination, employment experience for all categories of operations will be combined to determine the tax rate. ([See Chapter 4](#))

Governmental entities and non-profit employers are determined liable under separate criteria. Chapters [5](#) and [6](#) respectively cover these two types of employers in more detail.

**All workers:**

- performing personal services for an employing unit, under the direction and control of the business, and/or
- producing goods or services in the name of the business, using facilities or property of the business and as an integral part of the business **are employees** of the employing unit or business. Any question as to non-coverage of any workers must be decided on a case-by-case basis.

**SUCCESSORS**

An individual or employing unit is termed a successor upon acquiring the organization, trade or business or substantially all the assets of another employer, the predecessor. If an acquired entity was covered by the law, the successor is automatically covered regardless of the number of workers it employs as long as there is one or more employees.

This is true even if the successor acquires only part of the acquired entity’s business, and that part alone would have been covered by the law, “either that year or the preceding year.” The successor becomes covered immediately regardless of the number of workers it employs the rest of the year.

In order for partial successors to petition for a computed rate other than the new employer entry rate of 2.70%, the employer must notify the UC Division within ninety (90) days\* of the date of acquisition. The employer must file the required wage transcripts associated with the partial acquisition within one hundred twenty (120) days\* of the acquisition.

**\*These time requirements cannot be waived.**

**EXCLUSIONS**

The following are the most common services statutorily excluded from employment. Such services will not be counted in determining tax liability.

- Casual labor not in the usual course of an employer’s trade or business and of a temporary non-recurring nature.
- The individual owner of a business is not an employee, nor the parents, spouse, or the owner’s children under the age of 21. (This exclusion does not apply if the entity is a corporation or non-family partnership. Family partnerships may have this exclusion applied based on the relationship of partners to workers.)
- Railroad employment.
- Insurance agent or solicitor remunerated solely by way of commission.

- Certain non-profit organizations with less than 4 employees.
- Services performed in the employ of a school, college or university, if such service is performed by:
  - A student who is enrolled and regularly attending classes.
  - A spouse of a student under a program to provide financial assistance to such student and such employment is not covered by UC program. Such conditions must be explained to the spouse at time of hire.
- Services performed by a full-time student in a work-study program which combines academic credit with work experience and which the educational institution has so certified to the employer.
- Services performed by a patient in a hospital.
- Services performed in a hospital by a student nurse who is enrolled and regularly attending classes in an approved or state chartered nurse's training school.
- Services performed in a hospital by an intern who has completed a four year course in a medical school.
- Services performed by an individual under the age of 18 in the door-to-door delivery of newspapers or shopping news.
- Services performed in the employ of the owner of a foreign vessel.
- Services performed by a qualified real estate agent.
- Services performed as a direct seller.
- Services performed by an individual committed to a penal institution, effective July 1998.

**VOLUNTARY COVERAGE**

Any employing unit (except one whose employment is specifically exempt under the provisions of subsection (b) of Section 25-4-10) not otherwise liable under the law may apply for voluntary coverage for their employees. Voluntary coverage is for a minimum of two calendar years and subject to approval. A Form **UC-6** must be completed and submitted to the Director of Industrial Relations for approval.

## **DATE OF LIABILITY**

The employer becomes liable as of January 1 or the inception date of employment (whichever is later) of the year in which its employment first meets the law's provisions for tax liability. Once it becomes liable, it is liable for tax on all taxable wages during that calendar year.

A successor is liable from the date it has employment. If the preceding employing unit was not a covered employer, the successor, if it later becomes liable, will be liable as of the date it began operation.

## **TERMINATIONS**

Once liable, all employers remain liable for at least two calendar years, regardless of the number of employees, so long as they employ workers.

Employers who cease to have sufficient employment may request termination of coverage. A written request, Form **UC-8**, must be received by the Department on or before March 31\*, stating that it did not meet the coverage requirements during the preceding calendar year. If granted, termination will be effective January 1 of the year the request is made.

**\*Note: This time requirement cannot be waived.**

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STATE OF ALABAMA  
 DEPARTMENT OF INDUSTRIAL RELATIONS  
 UNEMPLOYMENT COMPENSATION DIVISION  
 649 MONROE STREET  
 MONTGOMERY, ALABAMA 36131  
 STATUS UNIT: (334) 242-8830 FAX: (334) 242-2067  
 www.dir.state.al.us



**APPLICATION TO DETERMINE LIABILITY**

**IMPORTANT NOTICE**

Under Alabama law you are required to furnish the information requested on this application. Each false statement or refusal to furnish information on this report, or willful refusal to make contributions or other payments is punishable by fine or imprisonment, or both, and each day of such refusal shall constitute a separate offense.

EMPLOYER NAME AND MAILING ADDRESS

FEDERAL EMPLOYER I.D. NUMBER (FEIN)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

This number is assigned by the Internal Revenue Service

1. Mark (X) one type of employment. A separate form must be filed for each type of employment.  
 NON-FARM  AGRICULTURE  DOMESTIC  GOVERNMENT: STATE  LOCAL
2. Do you have a previous Alabama Unemployment Compensation Account? YES  NO  2a. If yes, account number: \_\_\_\_\_
3. Do you have employees located in another state? YES  NO  3a. If yes, in what state(s)? \_\_\_\_\_
4. Is your firm subject to the Federal Unemployment Tax Act (FUTA)? YES  NO  4a. If yes, year liability was first incurred: \_\_\_\_\_  
 4b. Have you remained liable since that date? YES  NO
5. Did you start a new business? YES  NO  5a. If no, did you acquire an ongoing business? YES  NO   
 5b. Date Alabama employment began: \_\_\_\_\_
6. If you acquired ALL  or PART  of an ongoing business, enter the NAME, TRADE TITLE and ADDRESS of your predecessor employer: \_\_\_\_\_  
 6a. Predecessor's telephone number (if known): \_\_\_\_\_ 6b. Predecessor FEIN (if known): \_\_\_\_\_  
 6c. If your predecessor was liable in Alabama, enter their Alabama Unemployment Account Number (if known): \_\_\_\_\_  
 6d. Date acquired from predecessor: \_\_\_\_\_ 6e. Did your predecessor discontinue business? YES  NO   
 6f. If yes, date discontinued: \_\_\_\_\_
7. List below TOTAL ALABAMA WAGES paid to all employees during each calendar quarter of each year from the date in Item 5b. Include remuneration paid to officers of corporations and wages of part-time employees for current year and previous year, if applicable.

	JAN-FEB-MAR	APR-MAY-JUNE	JULY-AUG-SEPT	OCT-NOV-DEC
CURRENT YEAR	\$	\$	\$	\$
PREVIOUS YEAR	\$	\$	\$	\$

8. List below, by type of employment, the number of individuals in your employ within each week. A month with five Saturdays is considered to have five weeks of employment. Include all part-time employees and officers remunerated by corporations.

	WEEK	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Current Year:	1st												
	2nd												
	3rd												
	4th												
	5th												
Previous Year:	1st												
	2nd												
	3rd												
	4th												
	5th												

IMPORTANT: Please complete this application, Questions 1-14.

9. **ITEM 9 MUST BE COMPLETED IN ITS ENTIRETY.** Use the enclosed instruction sheet for Item 9 to complete Columns 1-5, refer questions to LMI at 334-242-8873. Please **Be Specific.** List each location and type of operation or activity separately. (Attach additional sheets if necessary.)

Column 1	Column 2	Column 3	Column 4	Column 5
Name and location - Each unit in Alabama. Enter "Statewide" if no permanent Location	Alabama County	Employee Count Per Unit	Indicate specific type of activity in detail See Instructions Sheet For Assistance	Enter Percentage
				%
				%
				%
				%

9a. Is the above work site primarily engaged in performing support or services for other work sites of the company? YES  NO

9b. To whom are most of your products sold? GENERAL PUBLIC  CONSTRUCTION CONTRACTORS  RETAILERS  WHOLESALEERS  OTHERS  (Specify): \_\_\_\_\_

10. Form of Organization: INDIVIDUAL  PARTNERSHIP  CORPORATION  ASSOCIATION  ESTATE OR TRUST  LLC (see 10a.)  NON-PROFIT ORGANIZATION (see 10b.)  OR OTHER  (Specify): \_\_\_\_\_

10a. Indicate tax filing status with IRS (include all members and their social security numbers or Federal identification numbers in Item 11):

CORPORATION  PARTNERSHIP  SOLE PROPRIETOR  DISREGARDED ENTITY

10b. Is the organization exempt under 501 (c)(3) of the IRS Code? YES  NO  (If yes, submit a copy of the 501(c)(3) letter of exemption.)

11. For positive identification, list below the full name(s), social security number(s), and title(s) of individual owner, partners or officers.

Name	Social Security Number	Title

12. If not otherwise subject, do you wish to voluntarily elect coverage under the Alabama Law? YES  NO

13. Name and business location/physical address:

\_\_\_\_\_  
Name of Applicant, Employer, Corporation, Partnership, Trust,

\_\_\_\_\_  
Trade Name or Division (if different from above)

\_\_\_\_\_  
Physical Address

\_\_\_\_\_  
City County State Zip

\_\_\_\_\_  
Area Code - Telephone Area Code - Facsimile

\_\_\_\_\_  
Contact Person Email Address

13a. Tax Preparer/CPA/Accountant:

\_\_\_\_\_  
Name of Tax Preparer/CPA/Accountant

\_\_\_\_\_  
Trade Name or Division (if different from above)

\_\_\_\_\_  
Address

\_\_\_\_\_  
City County State Zip

\_\_\_\_\_  
Area Code - Telephone Area Code - Facsimile

\_\_\_\_\_  
Contact Person Email Address

I certify the information provided on this application is true and correct to be best of my knowledge.

14. Business Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

NOTE: IF CPA, TAX PREPARER, ETC., IS ONLY SIGNATURE, PLEASE ENCLOSE POWER OF ATTORNEY.

## INSTRUCTIONS FOR COMPLETING FORM SR-2

Use **black** ink if handwritten or type. Enter your correct business name and mailing address in the blank space in the upper left hand corner of the form. Enter the federal employer identification number issued to you by the IRS in the blocks to the right of the mailing address. For questions on Items 1-8 and 10-14, call the Status Unit at 334-242-8830. For questions on Item 9, call the Labor Market Information Division at 334-242-8873.

**ITEM 1.** Mark the type of employment you are reporting.

- **Non-farm** is employment in any regular business that is not agricultural, domestic, or governmental.
- **Agricultural** is employment on a farm in connection with raising or harvesting any agricultural or horticultural commodity.
- **Domestic** is employment in a private home, local college club, or local chapter of a college fraternity or sorority for a person, their spouse, or estate.
- **Governmental** is employment in state and local entities.

**ITEM 2.** If yes, enter account number on Item 2a.

**ITEM 3.** If yes, enter what state(s) on Item 3a.

**ITEM 4.** Your firm is subject to FUTA if you had employees in another state prior to having employees in Alabama. Enter the year you became subject on Item 4a. and indicate on Item 4b. if you are still liable.

**ITEM 5.** If you started a new business, mark yes and enter date of your first employment on Item 5b. Skip to Item 7. If you acquired an on-going business, enter date of your first employment on Item 5b. and complete Item 6.

**ITEM 6.** The predecessor is the previous owner from whom you acquired the business or the entity with which your firm merged. If you changed form of organization (i.e. sole proprietor to corporation), the predecessor is the entity from which you changed. Enter all information in Items 6a., b., c., and d. In Item 6e., check yes if your predecessor (previous owner) will no longer report employment in Alabama and enter the date on which the predecessor ceased employment in Item 6f.

**ITEM 7.** Insert year and total wages paid in each quarter. If the present quarter is not complete, enter total wages paid to date.

**ITEM 8.** Enter the year for which you are reporting and the number of employees you had in employment each week following the date entered in Item 5b.

**ITEM 9.** See attached instruction sheet. For questions on Item 9, call the Labor Market Information Division at 334-242-8873.

**ITEM 10.** Mark form of organization. If LLC, you must indicate filing status with the IRS on Item 10a. If Non-Profit with 501(c)3 exemption, mark yes on Item 10b. and attach a copy of your letter of exemption from the IRS.

**ITEM 11.** List name of owner, partners, officers and members and their social security numbers. If the member(s) of the LLC is another entity, enter that member's federal identification number.

**ITEM 12.** If yes, you must submit an Application for Voluntary Election (Form UC-6). The Application for Voluntary Election may be downloaded at [www.dir.alabama.gov/docs/forms/uc\\_form\\_uc-6.pdf](http://www.dir.alabama.gov/docs/forms/uc_form_uc-6.pdf).

**ITEM 13.** Enter your business name, physical location in Alabama, and telephone number. List fax, email address and contact person, if applicable.

**ITEM 13a.** Leave blank if you prepare your own reports. If someone else is responsible for filing your wage reports, enter all applicable information.

**ITEM 14.** The application should be signed by an owner or officer of the business. However, if signed by a CPA, Tax Preparer, etc., a Power of Attorney should be included with the application in order to handle tax matters for the subject entity. The Power of Attorney form may be downloaded at [www.dir.state.al.us/docs/forms/uc\\_power\\_of\\_attorney.pdf](http://www.dir.state.al.us/docs/forms/uc_power_of_attorney.pdf).

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## **MANAGEMENT OF COMPANIES & ENTERPRISES**

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Mgt of Companies & Enterprises: offices of bank holding companies, corp, subsidiary, regional managing offices, etc.

## **MANUFACTURING**

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Textile Mills: yarn spinning or texturing, narrow fabric, non-woven fabric, fabric finishing, etc.  
Apparel Manufacturing: sheer hosiery, men's cut & sew shirt, fur apparel, hat, glove, etc.  
Leather & Allied Product Manufacturing: tanning, house slipper, men's footwear, luggage, handbag, etc.  
Wood Product Mfg: sawmills, hardwood veneer, door, manufactured home, pallet, etc.  
Paper Mfg: paper mills, folding paperboard box, coated paper, envelope, stationery, etc.  
Printing & Related Support Activities: commercial lithographic or screen, digital, business forms, trade binding, etc.  
Plastics & Rubber Products Mfg: unsupported plastics bag, plastics pipe, tire mfg or retreading, etc.  
Primary Metal Mfg: iron mills, rolled steel shape, alumina refining, primary smelting, steel foundries, etc.  
Fabricated Metal Product Mfg: iron forging, cutlery, prefab metal bldg, hardware, heavy spring, bolt, small arms, etc.  
Electrical Equip, Appliance & Component: lighting, household vacuum, generator, current carrying wire, etc.  
Furniture & Related Product: residential or nonresidential, upholstered, kitchen cabinets, mattress, blinds, etc.

## **MINING**

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Oil & Gas Extraction: crude petroleum, natural gas, natural gas liquid, etc.  
Mining (Except Oil & Gas): underground or surface, gold, coal, metal, nonmetallic mineral quarrying, etc.  
Mining Support Activities: drilling oil & gas wells, operations support for coal or metal mining, etc.

## **OTHER SERVICES (EXCEPT PUBLIC ADMIN)**

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Repair & Maintenance: auto transmission repair, electronic equipment, reupholstery, etc - without retail sales  
Personal & Laundry Services: hair care service, diet center, cemeteries, dry cleaning, one-hour photo finishing, etc.  
Religious/Grantmaking/Prof/Like Organizations: voluntary health, environment organizations, labor unions, political organizations, etc.  
Private Households: private households

## **PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES**

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Professional, Scientific & Technical Services: lawyers, tax preparation, payroll services, facilities management, marketing, veterinary, etc.

## **PUBLIC ADMINISTRATION**

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Public Administration: legislative bodies, correctional institutions, admin of public health programs, admin of conservation programs, admin urban planning, regulation & admin of transportation programs, space research, etc.

## **REAL ESTATE & RENTAL & LEASING**

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Real Estate & Rental & Leasing: residential/commercial property managers, car rentals, self storage, etc.

## **TRADE - RETAIL**

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Store & Non-store Retailers: new car dealers, home furnishings, household appliances, paints, baked goods, pharmacies, gasoline stations w/convenience stores, shoes, warehouse clubs, florists, manufactured home dealers, vending machines, heating oil dealers, etc.

## **TRADE - WHOLESALE \*\* ALWAYS INDICATE ON OR OFF-SITE INVENTORY, TYPE OF PRODUCT SOLD \*\***

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Merchant, Mfg Rep/Broker,B2B,Import/Export: motor vehicle, office equipment, electrical goods, pharmaceuticals, livestock, etc.

## **TRANSPORTATION & WAREHOUSING**

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Air, Rail, Water Transportation: scheduled freight air, short line railroads, deep sea passenger, inland water freight, etc.  
Truck Transportation: local general freight, long-distance specialized freight, used office goods moving, etc.  
Other Transportation: crude oil, land sightseeing, air traffic control, port operations, freight arrangements, etc.  
Warehousing & Storing: general, refrigerated, farm, etc.

## **UTILITIES**

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Generation, Transmission, Distribution, etc.: hydroelectric, fossil, nuclear, natural gas or electric power distribution, irrigation, etc.

**SOME PERTINENT COVERAGE PROVISIONS  
FOR EMPLOYERS UNDER  
THE ALABAMA UNEMPLOYMENT COMPENSATION LAW**

- A. ESTABLISHING LIABILITY:** The individual owner of a business is not an employee, nor the parents, spouse, or children of the owner under the age of 21. Partners in a partnership are not employees of the business. Any remuneration received by officers of a corporation is taxable.
- 1. Employers Liable Under the Federal Unemployment Tax Act:** Any employer subject for the current or preceding calendar year to the excise tax on payrolls imposed under Section 3306 of the Federal Internal Revenue Code (Federal Unemployment Tax Act) is subject to the Alabama Act regardless of the number of employees it has in Alabama. Liability in this instance is from the date Alabama operations commence.
  - 2. Successor-in-Interest** (*An employer becomes subject by:*)
    - (a) Acquiring the trade or business, organization, or substantially all the assets thereof, of another employer which at the time of such acquisition was an employer subject to the Alabama Act.
    - (b) Acquiring a segregable part of the organization, trade or business of another employer which was at the time of acquisition an employer subject to this Act; provided, such segregated part would itself have been an employing unit subject to this Act had it represented the entire business of the predecessor.
    - (c) Acquiring the organization, trade, or business, or substantially all the assets of another, not at the time of acquisition an employer subject to this Law, if the employment prior to the date of acquisition combined with the employment subsequent to the date of acquisition, both within the same calendar year is sufficient to render an employer subject as outlined above.
  - 3. Extent and Duration:** The Alabama Unemployment Compensation Law provides that, except for governmental entities, an employer becomes subject thereto and liable for taxes thereunder when any one of the following conditions are met:
    - (a) **Non-Farm Business Employers**
      - (1) When the employer has paid wages of \$1,500 or more in any calendar quarter during the current or preceding calendar year; **or**
      - (2) has had in employment one or more workers on some day in 20 or more different weeks, whether or not consecutive, during the current or preceding calendar year.
    - (b) **Household Domestic Employers**

Domestic employers become liable when the employer pays domestic workers in a private household, college club, fraternity or sorority house a total of \$1,000 or more in cash wages in any calendar quarter during the current or preceding calendar year.
    - (c) **Agricultural Employers**
      - (1) When the employer has paid a total of \$20,000 in cash wages to agricultural workers during any calendar quarter of the current or preceding calendar year; **or**
      - (2) has had in employment 10 or more agricultural workers on the same day in 20 or more different weeks, whether or not consecutive, during the current or preceding calendar year.
    - (d) **Non-Profit Organizations**
      - (1) Non-profit organizations that are exempt from Federal Unemployment Tax under the provisions of Federal Law 3306(c)(8) and are exempt from the IRS Code under Section 501(c)(3) become liable at the beginning of the calendar year (or as of the date it begins operation if after the beginning of the year) during which the organization has 4 or more employees on some day in 20 or more different weeks, whether or not consecutive, during the current or preceding calendar year.

- (2) Non-profit organizations subject to the Alabama UC Law and exempt under the same provisions listed above may elect, if they so desire, to make payments in lieu of the regularly required contributions. These are called "Reimbursement" payments and are made to reimburse the unemployment insurance fund for the benefits paid to former employees of the non-profit organization on a dollar for dollar basis.
- (3) Even though a non-profit organization may meet the above conditions, it is exempt entirely if it is organized and operated primarily for religious purposes.

**B. EMPLOYER TAX RATE:**

1. New employers determined liable for years beginning on or after January 1, 1976, are taxed at a rate of 2.70% of taxable wages. Such employers become eligible for experience rating effective January 1 following that fiscal year (ending June 30) throughout which its account has been chargeable with benefit wages.
2. An employer determined subject as a successor-in-interest (Paragraph A.2. above) succeeds to the employment experience and tax rate of the predecessor employer. An employer who succeeds to a segregable portion of a business acquires that portion of the employment experience and tax rate identified with the acquired portion in Paragraph A.2.(b) only if:
  - (a) he makes written application for such transfer of employment experience within ninety calendar days from the date of the acquisition of the said portion; and
  - (b) furnishes to the Director a transcript of such total and taxable payrolls which correspond to the acquired segregable portion within one hundred twenty calendar days from the date of acquisition. The responsibility for filing such transcripts rests with the employer.
3. Merger. In the event two or more subject employers are merged, with one being the surviving entity, the tax rate of the survivor will prevail throughout the balance of the tax rate year during which such merger occurred (January 1 through December 31 of the same year). Effective for the following tax rate year, the employment experience of the merging entities will be combined for tax rate purposes. If neither of the original entities survive and an entirely new entity emerges, then the experience of all merging employers is immediately combined for rate purposes.

**C. TAXABLE LIMITATION ON EARNINGS:**

1. Beginning 1983, taxable wages are eight thousand dollars (\$8,000).
2. Wages paid to an employee by a predecessor-in-interest or wages paid in another state to an employee who has been transferred to Alabama by the same employer, or its predecessor, all within the same calendar year, may be taken into account in arriving at the taxable limitation.
3. Wages in excess of the taxable limitation must be reported but are not taxable.

NOTE: The employer tax, if timely paid, is allowed as a full credit (such credit being computed at five and four tenths percent [5.40%] regardless of the prevailing experience rate) against the excise tax on payrolls imposed under the Federal Unemployment Tax Act.

**D. REPORTING REQUIREMENTS:** Reports, accompanied by remittance, are due for each calendar quarter ending March 31, June 30, September 30, and December 31, and become delinquent at the close of business on the last day of the month immediately following the close of the calendar quarter - April 30, July 31, October 31, and January 31. Wages should be reported in the quarter in which they were paid, not in the quarter in which they were earned. Adjustments in wages paid in a prior quarter must be made in the quarter in which they were paid and reported.

**E. PENALTY FOR LATE REPORTS:** A late filing penalty is assessed against the employer for each report that is not timely filed, regardless of whether or not any tax is due for the quarter. For quarters prior to December 31, 1995, the penalty is \$5. For quarters beginning with January 1, 1996, the penalty is \$25, or 10% of the tax due, whichever is greater.

**F. LIABILITY APPEALS:** Any Appeal of Liability must be made in writing within thirty (30) days of the date of the Liability Determination Letter. An Appeal, if desired, should be directed to the Chief of Tax, Room 4435, Industrial Relations Building, Montgomery, Alabama 36131.

**ALABAMA UNEMPLOYMENT COMPENSATION DIVISION  
DEPARTMENT OF INDUSTRIAL RELATIONS**

APPLICATION FOR VOLUNTARY ELECTION TO BECOME AN EMPLOYER UNDER THE  
ALABAMA UNEMPLOYMENT COMPENSATION LAW

Director of Department of Industrial Relations  
Industrial Relations Building  
Montgomery, Alabama 36130

Dear Sir:

The undersigned, \_\_\_\_\_ of \_\_\_\_\_, being an employing unit under the Alabama Unemployment Compensation Law, but not being an employer subject thereto, does hereby voluntarily elect, pursuant to the terms and provisions of Section 25-4-131, Code of Alabama, 1975, as amended (Alabama Unemployment Compensation Law), to become as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, an “employer” fully subject to the Alabama Unemployment Compensation Law, to the same extent as any other “employer,” and hereby makes application for the written approval of such election.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Firm Name: \_\_\_\_\_

By: \_\_\_\_\_ (Title) \_\_\_\_\_

By: \_\_\_\_\_ (Title) \_\_\_\_\_

By: \_\_\_\_\_ (Title) \_\_\_\_\_

Give two (2) references, one being, preferably, a banking institution.

\_\_\_\_\_  
(Name) (Address)

\_\_\_\_\_  
(Name) (Address)

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Approved by the Director of Department of Industrial Relations as of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Director of Industrial Relations

By: \_\_\_\_\_, 20\_\_\_\_

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DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
INDUSTRIAL RELATIONS BUILDING  
MONTGOMERY AL 36130  
(334) 242-8830

ATTN: Tax Operations Section  
RE: Request for Termination of Coverage  
ACCOUNT NO. \_\_\_\_\_

Employer:

Except as otherwise provided in Section 25-4-131, an employer (except governmental entities) shall cease to be a employer subject to this chapter: As of January 1 of any calendar year if he file with the Director, prior to April 1 of such year, a written application for termination of coverage and he has not, during the preceding calendar year, met any of the conditions for remaining subject to this chapter.

In accordance with Sections 25-4-130 and 25-4-131, 1975 Code of Alabama, as amended, this is to request that the undersigned be released from a liable status under the Alabama Unemployment Compensation Law with respect to filing reports and paying contributions related thereto after January 1, 20\_\_\_\_. My (our) record of employment for the calendar year 20\_\_\_\_ is as follows:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53

My (our) record of total gross quarterly wages paid for the year 20\_\_\_\_ is as follows:

Quarter Ending March 31     \$\_\_\_\_\_     Quarter Ending September 30     \$\_\_\_\_\_

Quarter Ending June 30     \$\_\_\_\_\_     Quarter Ending December 31     \$\_\_\_\_\_

The above record reflects the number of persons employed by the undersigned (in the United States as a whole) on the heaviest day of employment in each calendar week and the gross quarterly wages paid for covered employment during the calendar year 20\_\_\_\_.

It is understood that in the event this request meets the requirements for termination, that I (we) will be help exempt from the filing of further reports and the paying of contribution related thereto, either or both for periods of operations subsequent to January 1, 20\_\_\_\_, and until such time as I (we) may again become subject for the filings of such reports and paying of such contributions related thereto as required by law and will be considered a new employer under any provision of Section 25-4-8.

FIRM: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

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## CHAPTER 2

### TAXES, CONTRIBUTION AND WAGE REPORTS

The UC program is financed by employer taxes.

Most employers pay both state and federal UC taxes. State and local governments and certain non-profit organizations are covered by state law but are exempt from the federal law (commonly referred to as FUTA.)

State contributions are collected on the first \$8,000 the employer pays each of its employees during a calendar year. The FUTA limitation is \$7,000.

#### SUCCESSORS

If an employer acquires the trade or business organization or substantially all the assets of a covered employer, wages paid by the acquired employer during a calendar year are considered as having been paid by the acquiring employer in arriving at the \$8,000 tax limitation for the employer.

An acquiring entity may become liable for taxes even when the acquired entity was not, if their employment records during the year, added together, is sufficient to constitute a covered employer.

No taxes will be due, however, on wages paid by the preceding employing unit who was not liable.

#### THE FEDERAL TAX

Effective January 1, 1985, the FUTA tax is 6.2% of taxable wages. An employer subject to the FUTA tax is granted a 5.4% credit against the federal tax, if the state tax for the preceding year is paid in full by January 31. The full 5.4% credit is allowed even though the state rate may be much lower and, thus, only a small part of the federal tax - 0.8% - goes to the federal government. Unless and until the state contributions are paid, the employer owes the 6.2% federal tax.

The federal portion of the tax 0.8% is paid directly to the federal government and used to pay the cost of administration of the employment security program.

Each year, the federal authorities request the UC Division to certify the timely receipt of state unemployment taxes from each employer. To make this certification, the federal employer identification account number must match the federal number in the Department's records. Be sure that your correct federal number is a part of the state's records in order to ensure proper certification of your payment of taxes.

<p><b>FUTA is an annual tax on wages, but more frequent deposits may be required. For information on this tax, contact your nearest IRS office.</b></p>
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## THE STATE TAX AND EMPLOYMENT SECURITY ASSESSMENT

Newly liable employers pay taxes at the “entry rate” of 2.70%. The Law requires at least one full fiscal year of measurable unemployment experience before an employer qualifies for “experience rating.” Unemployment experience begins for an employer when wages paid by it can first be used in determining the amount of benefits an employee can be paid.

The length of time required for an employer to become eligible for experience rating depends on when, as of January 1, its account was first chargeable with benefits throughout the preceding fiscal year (July 1 - June 30.) To be chargeable with benefits throughout a fiscal year, it must be possible for the employer to have been a base period employer with respect to an initial claim for benefits filed in each of the four quarters of such fiscal year, whether or not a claim was filed. For example, an employer who becomes subject and pays wages in each of the first three quarters of a fiscal year is chargeable with benefits throughout the following fiscal year and is eligible for experience rating effective the next January 1.

It must be pointed out that just because an employer’s rate is determined under experience rating it is not necessarily reduced. The employer’s unemployment experience may be such that the rate is maximum or, if good enough, at increments down to the minimum. The rate can be as high as the maximum computed rate of 6.80% when the State is in Schedule D or as low as the minimum computed rate of 0.20% when the State is in Schedule A.

**A successor employer succeeds to the unemployment experience (benefit charges and payrolls) of an acquired entity, for tax rate purposes. Any wages paid by the acquired entity, that result in benefit costs on and after the effective date of the transaction are transferred to the successor’s account.**

The rate at which employers are taxed varies according to the individual employer’s unemployment experience modified by statewide experience. The level of the UC Trust Fund determines the single schedule to be in effect during the calendar year. In addition to the computed rate, **shared cost** incurred by the system but not effectively charged to a specific employer will, when required, be added to the employer’s computed rate to determine its contribution rate.

During the first Special Session of 1988, the Legislature enacted a 0.06% Employment Security Enhancement Assessment (ESA). The computed tax rate of each employer subject to the assessment was reduced by 0.06%. This act sunset December 31, 1991; however, during the Regular Sessions of 1992 and 1995, the Legislature reenacted the 0.06% ESA. This assessment is effective calendar quarters beginning April 1, 1992, and ending March 31, 2004.

The employer’s state contributions and ESA, if applicable, are paid quarterly to the Department of Industrial Relations through its UC Division. The quarterly reports and remittances are due by the end of the month following the end of each quarter (April 30, July 31, October 31, and January 31).

Quarterly tax payments are deposited into the Trust Fund and may be used solely for the payment of UC benefits. Additionally, interest is earned on the fund. The interest is deposited to the fund and may be used only to pay benefits to unemployed workers. The use of interest to pay benefits reduces shared cost.

Quarterly ESA payments are deposited into the ESA Fund in the State Treasury. The monies in the ESA Fund are used in a special claimant placement program and to supplement basic employment security services with special job search and placement assistance designed to help unemployed claimants in obtaining employment more quickly.

**FUTA (Federal Form 940) - Credit for the 0.06% ESA cannot be taken.**

**WHAT ARE “WAGES?”**

All remuneration paid to employees for services performed must be reported and taxed for UC purposes. This includes cash, salaries, commissions, bonuses, tips, etc. Some payments in a medium other than cash are included as wages. The value of room and board furnished for the convenience of and at the option of the employee must be reported as wages and taxes paid thereon. The value of such remuneration as defined by the Department’s Administrative Rules cannot be less than:

(a) Full weekly room and board \$63.00

(b) <u>Meals</u>		<u>Lodging</u>	
Per week	\$42.00	Per week	\$21.00
Per meal	\$2.00	Per day	\$3.00

The value of room and board furnished for the convenience of the employer and as a requirement for employment is not wages and is not taxable for unemployment compensation purposes.

**REMINDER: For agricultural or domestic workers, cash payments are considered "wages."**

Back pay to an employee who was separated or suspended from a job and later put back to work with retroactive pay is wages. Additional amounts paid to a worker previously paid less than minimum wage or for discrimination or other reasons on a retroactive basis for work actually performed is wages. Such payments must be reported and tax paid thereon in the quarter in which the payments are made. In either case, a notice is required that certain amounts represent back pay and the period to which such back pay applies.

Amounts paid to temporary or part-time employees are wages and must be reported.

## **CAFETERIA PLANS**

Cafeteria plans are not exempt under the Alabama UC Law. If an employee has a "choice" of benefits or cash, the plan is taxable. No payments of any kind by an employee are exempt from the definition of wages. Employer payments made for employees are exempt under certain conditions such as:

- Retirement
- Sickness or accident disability
- Medical or hospitalization expenses
- Death
- Payments from or to a trust which meets the requirements of section 401(K) of the Federal Internal Revenue Code
- Annuity plans which meet Section 401 (a)(3),(4),(5) and (6) of the Federal Internal Revenue Code

## **RECORDS REQUIRED**

True and accurate employment and personnel records must be kept by all Alabama employers whether or not they are liable under the UC Law. Since an employer's liability cannot be determined without such records, they must be open for inspection by authorized representatives of the department at any reasonable time. The UC Law provides for penalties to ensure compliance. Records must show, for each worker, the following:

- Name
- Social security number
- Dates of payment
- Gross cash wages
- Any remuneration other than cash
- Dates hired, separated and rehired
- Dates and number of hours worked

## **CONTRIBUTION AND WAGE REPORT**

Prompt filing of reports and paying contributions when due will prevent the assessment of costly interest and penalties and ensure the best possible experience rating.

The **UC CR4** Quarterly Unemployment Insurance Tax Reporting Package (quarterly contribution and wage report) is mailed to each liable employer approximately a week before the end of each calendar quarter. The multiple page **UC CR4** tax package contains preprinted optical character reader scannable documents of which Page 1 (The Contribution Report) and Page 2 (The Wage Report) must be completed on the original forms and returned to the Department unaltered. An Employer Change Request Form (Page 5) should only be completed and returned with Pages 1 and 2 when a change in ownership or address has occurred during the quarter. A comprehensive instruction sheet is mailed in each **UC CR4** package. The contribution report (Page 1), the wage report (Page 2) and, if needed, the employer change request (Page 5) must be returned in the envelope provided.

If there was no employment during the quarter, enter "0" wages on the page, sign, and return the report. (See pages 31-32 for instructions on completing this form.)

## **FILING REQUIREMENT**

**Employers with 250 or more employees are required to report wages on magnetic media.** Other employers may also use this method of reporting. Employers reporting on magnetic media must submit a completed quarterly **UC CR4** Tax Report. The wage report (Page 2) should be notated "Reported on Magnetic Media." For magnetic media filing instructions and assistance call or write:

**WAGE REPORT CONTROL UNIT  
DEPARTMENT OF INDUSTRIAL RELATIONS  
DIR BUILDING ROOM 3205  
649 MONROE STREET  
MONTGOMERY, AL 36131-4200  
TELEPHONE: (334) 242-8450**

## **CORRECTING REPORTS**

Do not adjust errors made on previous reports on a report being prepared for a subsequent quarter. Instead, write the department or contact the nearest district tax office, or visit our web site at [www.dir.alabama.gov](http://www.dir.alabama.gov) and ask for a Form **UC-10-C** to be used in correcting the report.

If there is an adjustment of the amount of taxes due as the result of a correction, the account will receive a credit for an overpayment or a debit for an underpayment on the next billing statement. In the event of a large overpayment, a refund may be requested. In the case of an underpayment, you should pay the additional tax due when the **UC-10-C** is submitted or promptly upon receipt of a billing statement (Form **UC36**.)

## **INTEREST CHARGES**

If taxes are not paid by the due date, the employer will be charged interest at the rate of 1.0% per month (1/30 of one percent per day) from the due date.

## **PENALTIES**

A penalty of 10% of the tax, or \$25, whichever is greater, shall be assessed for failure, without good cause, to file reports when due.

A 10% penalty may be assessed for failure to pay taxes when due. If the failure to pay is due to fraud, an additional penalty of 15% shall be assessed.

A penalty of 10% of the tax may be assessed on all invalid remittances.

If any waiver of interest or penalty is to be requested, the request should accompany the late report or the late payment. Justification for the request should accompany the request. Every consideration will be given, however, waivers should be in the best interest of the UC program.

## **ASSESSMENTS AND COLLECTIONS**

Assessments may be made against any employer who fails to file a contribution and wage report timely. The assessment would be based upon the department's best knowledge of the amount of taxable wages paid. The employer would be notified of the assessment by certified mail. Upon receipt of the assessment notice, the employer may request a hearing before an appeals officer if the employer so desires.

Collection action, including garnishment, may be taken, if taxes due are not paid upon notice that the tax is delinquent.

## **AUDITS OF EMPLOYER RECORDS**

The department's field deputies perform the field audit function. If an employer should be contacted by one of our field deputies for the purpose of auditing some, or all, of the employer's records, the employer is required by law to make the records available upon request and presentation of identifying credentials.

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**STATE OF ALABAMA**  
**DEPARTMENT OF INDUSTRIAL RELATIONS**  
**UNEMPLOYMENT COMPENSATION DIVISION**  
**MONTGOMERY, ALABAMA 36131**  
**(334) 242-8830**

**DO NOT COMPLETE THIS PAGE UNLESS THERE HAS BEEN A CHANGE**  
**EMPLOYER CHANGE REQUEST**

EMPLOYER ACCOUNT NUMBER AS SHOWN ON C4-4 _____
EMPLOYER NAME AS SHOWN ON CR-4 _____
QUARTER ENDING REPORT _____

**If any of the following changes have occurred, complete and return with Page One and Two.**

<p>1. Current Federal I.D. Number          □□-□□□□□□□□</p> <p>2. Corporation Name Change Only. Date: _____          _____</p> <p>3. If your name is incorrect, show correction here.          _____</p> <p>4. If your <b>Mailing Address</b> is incorrect, show correction here.          _____          _____          _____</p> <p>5. This is for information only, not a mailing address change.          If the <b>Principal Location</b> of your business operations in Alabama has changed, enter address of new location here.          (Do not use a P.O. Box Number.)          _____          (Street Address)          _____          (City) <span style="margin-left: 150px;">(Zip Code)</span>          _____          (County) <span style="margin-left: 150px;">(Telephone Number)</span></p>	<p><i>If your business was discontinued by leasing employees or a change in ownership has occurred, complete the following:</i></p> <p>6. Business discontinued: <span style="float: right;">Date: _____</span>          Sale [ ]    Leased [ ]          Explain: _____          _____          _____</p> <p>7. Entire business sold: <span style="float: right;">Date: _____</span></p> <p>8. Partial sale only, not out of business: <span style="float: right;">Date: _____</span></p> <p>9. Merger: <span style="float: right;">Date: _____</span>          If Items 7, 8, or 9 indicated, complete Item 10.</p> <p>10. New Owner's or Leasing Company's Name and Address:          _____          _____          _____</p> <p>11. Corporation formed: <span style="float: right;">Date: _____</span>  <span style="float: right;">State: _____</span>          _____          _____</p> <p>12: Partners's added or withdrawn: <span style="float: right;">Date: _____</span>          _____          _____</p>
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**This is to certify that the information in this report is true and correct to the best of my knowledge.**

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Date: \_\_\_\_\_

This report must be signed and dated by an authorized person, including their title and telephone number, or changes will not be made.

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## INSTRUCTIONS FOR COMPLETING FORM UC-CR4 QUARTERLY CONTRIBUTION AND WAGE REPORT

**NOTE: Replacement form FORM UC-CR4 may be obtained by calling (334) 242-8075.**

**IMPORTANT:** Every employer liable under the Employer Security Law for Unemployment Insurance must complete and return Form UC-CR4 by date due, as shown on the report. The report should cover only employment for the quarter (or portion thereof) for the employer indicated. If a change in ownership occurred during the quarter, a new Form SR-2 and separate reports are required. If there was no employment during the quarter, enter "0" wages on the page, sign, and return the report. If Name, Address, Federal I.D. Number, or partial or total ownership has changed, complete **Page 5**, Employer Change Request, and return with **Page 1** and **Page 2**. Any changes requested in the employer account must be authorized by owner, partner or officer of the corporation. Identify correspondence with your Alabama ten-digit account number shown on this report.

Wages for non-farm business, domestic or agriculture services should be reported on separate contribution and wage reports with their own ten-digit Alabama SUI Account Number.

Do not use any portion of this report to correct previous reports. To correct previous reports, request Form UC-10C from the Alabama Department of Industrial Relations, Unemployment Compensation Division, 649 Monroe Street, Room 4207, Montgomery, Alabama, 36131, or it may be downloaded at [www.dir.alabama.gov/docs/forms/uc\\_correct\\_info.pdf](http://www.dir.alabama.gov/docs/forms/uc_correct_info.pdf).

- ITEM 1:** Enter the total gross covered wages in Alabama (before deductions) paid this quarter. The amount entered must agree with the total of individual wages listed in ITEM 17.
- ITEM 2:** Nontaxable wages are determined by the wages paid one employee by the same employer in a calendar year. An employer pays tax on the first \$8,000 paid an employee. Once tax has been paid on the required Taxable Wages in a calendar year, wages in excess are entered in ITEM 2 in the quarter in which they are PAID. If there are no wages in excess, enter "0" in ITEM 2. If you purchased a business liable for this tax and you are a legal successor to the business, the wages paid by your predecessor during the calendar year may be considered in determining the amount of wages in excess on this report.
- ITEM 3:** Total wages, ITEM 1, minus nontaxable wages, ITEM 2, equal taxable wages. Enter this amount in ITEM 3.
- ITEM 4:** Multiply taxable wages, ITEM 3, times the Employer Tax Rate as indicated. Enter the result in ITEM 4. (Example: If the tax rate is 2.70%, move decimal two places to the left converting the percentage to a decimal fraction of .027 and multiply.)
- ITEM 5:** Multiply taxable wages, ITEM 3, times the Employee Tax Rate as indicated. Enter the result in ITEM 5.
- ITEM 6:** Multiply taxable wages, ITEM 3, times the Employment Security Assessment rate as indicated. Enter the result in ITEM 6.
- ITEM 7:** Credit amount, if applicable, will be preprinted on the UC-CR4 in ITEM 7.
- ITEM 8:** Enter in ITEM 8 the total of ITEM 4, plus ITEM 5, plus ITEM 6, minus ITEM 7.
- ITEM 9:** Interest is computed at the rate of one percent (1%) per month or a fraction thereof for late payments.
- ITEM 10:** A late filing penalty is assessed for failure to file this report by the due date at a rate of \$25 or 10% of the amount in ITEM 8, whichever is greater. Enter this amount in ITEM 10.
- ITEM 11:** Enter total of ITEMS 8, 9, and 10. Make check payable to the **ALABAMA DEPARTMENT OF INDUSTRIAL RELATIONS**. Identify check with your ten-digit Alabama SUI Account Number and mail with report.
- ITEM 12:** Enter a count of all full-time and part-time workers in covered employment (subject to Alabama's Unemployment Compensation Law) who worked during or received pay for the payroll period, which includes the 12<sup>th</sup> of the month. If no employment in the payroll period, enter "0."

\*\*\* OVER \*\*\*

(Rev. 8/03)

- ITEM 13:** Enter employee's last name, first name and middle initial as shown on their social security card. If wages are reported for employees who have not obtained social security numbers, full names should be shown in this column.
- ITEM 14:** Enter employee's social security number. If the employee has no social security number, application must be made immediately by the individual to a Social Security Field Office or any United States Post Office. It is absolutely necessary that the social security number be reported correctly since eligibility for unemployment insurance benefits is based on quarterly earnings compiled by the Alabama Department of Industrial Relations. Irregularities in reporting earnings will affect the amount of benefits, as well as delay the processing of your wage report.
- ITEM 15:** Enter total gross covered wages (before deductions) paid each employee this quarter for Alabama employment. If you question whether employment or wages are exempt under the Employment Security Law, write Alabama Department of Industrial Relations, Unemployment Compensation Division, Attn.: Chief of Tax, 649 Monroe Street, Montgomery, Alabama 36131.
- ITEM 16:** Enter the total of all entries in ITEM 15 for THIS page.
- ITEM 17:** Enter the total of all pages. This amount must be the same as that entered in ITEM 1 on **Page 1** (Contribution Report) and also equal the sum of all individual employee wages submitted with this report. **Page 2** (Wage Report), with ITEM 17 completed, must always be returned with **Page 1** (Contribution Report), even as a cover sheet if wages are reported on magnetic media or computer printout.
- ITEM 18:** Enter the total number of wage sheets that accompany this report. Enter "0" if none are used. Submit only one (1) copy of each continuation sheet.

When filing your SUI Quarterly Contribution and Wage Report, you should use the individual employer customized forms mailed to your firm. If additional pages are needed to list quarterly wages, you may use the following: 8½" x 11" sheet of paper, computer printout, or magnetic media. Each continuation sheet used must have the name of the firm reporting, ten-digit Alabama SUI account number, quarter, page number, employee's name, social security number and individual wages, as well as total of wages listed.

#### MAILING INSTRUCTIONS

Return **Pages 1 and 2** with your remittance and, if required, the original of any continuation sheets and **Page 5**, if a change in legal entity or address has occurred. Do not staple, bend, mutilate, refold or make any unnecessary marks on this report. Such actions could cause delays in crediting your account. Place appropriate postage in area designated on face of return envelope and mail prior to due date. **Page 1 and 2** must be completed and submitted by due date even if no wages were paid this quarter. All UC-CR4's (Contribution & Wage Reports) should be mailed in the envelope provided or addressed to: Alabama Department of Industrial Relations, Unemployment Compensation Division, Attn.: Audits and Cashiering, 649 Monroe Street, Room 4207, Montgomery, Alabama 36131.

#### MANDATORY MAGNETIC MEDIA REPORTING REQUIREMENT

The Department of Industrial Relations has enacted Administrative Rule (Number 480-4-2.32) which requires every employer subject to the provisions of the Alabama Unemployment Compensation Law with 250 or more employees covered by the Law to submit the Quarterly Wage Report required by the Law on magnetic media, in lieu of paper, beginning with the report for the quarter ending September 30, 1991, unless otherwise granted a waiver.

The determination of the applicability of the Rule to a subject employer on the effective date of this Rule shall be made by examining the number of employees reported on the Quarterly Wage Report for fiscal year 1990 (October 1, 1989 through September 30, 1990) and any subsequent year to fiscal year 1990, on which 250 or more covered employees were reported. Any subject employer once covered by the Rule shall remain subject, even if the number of covered employees decreases to less than 250.

All reporting employers, regardless of size, are urged to submit their Quarterly Wage Reports by magnetic media even though they may not be subject to this Rule. For copies of the Administrative Rule, the magnetic media format or any additional information, contact the Alabama Department of Industrial Relations, Attn.: Wage Record Control Clerk, 649 Monroe Street, Montgomery, Alabama 36131, telephone number 334-242-8454.



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## CHAPTER 3

### UC CLAIMS BY FORMER EMPLOYEES

Unemployed workers who are covered under the law receive weekly benefits if they are eligible in all respects for such benefits. Benefits are paid from the UC Trust Fund which is made up of “contributions” (payroll tax).

#### CLAIMS FOR BENEFITS

Claims for UC benefits are filed by unemployed individuals by telephone through call centers. Separation information is obtained by call center personnel and decisions on the separation issues are made by claims adjudication personnel in the central office of the UC Division.

#### BENEFIT ELIGIBILITY

In order to qualify for benefits, a claimant must have been paid wages in employment subject to the law during the base period. In Alabama, the base period is the first four of the last five completed calendar quarters immediately preceding the date of a claim. For example, a claim filed with an effective date in the first calendar quarter of 2004 would have as the base period the time between October 1, 2002, and September 30, 2003.

The weekly benefit amount is based upon the average of the two highest quarters of wages in the base period. The minimum weekly benefit amount is \$45, and the maximum weekly benefit amount is \$210. The maximum benefit entitlement is twenty-six times the weekly benefit amount or one-third of the base period wages, whichever is less.

When a monetarily eligible claim is filed, a claimant establishes a benefit year. This is the period of time ending one year from the effective date of the claim. If the claimant receives the maximum benefit amount before the end of the benefit year, the claimant cannot be paid any more regular benefits until the year is ended and requalification conditions are met. Also, if the claimant received less than the maximum benefit amount during the benefit year, no additional benefits are payable on the claim after the benefit year ends. (Exception: During periods of high unemployment, additional benefits may be paid under the extended benefit provisions of the law or other emergency legislation.)

#### SEPARATION INFORMATION REQUEST - FORM BEN-241

When a claim for benefits is filed, the UC Division sends a Form **BEN-241**, Notice of Claim and Request for Separation Information, to the last employer of the claimant. One of the most important factors in administering the Alabama Law is the cooperation of the employer in promptly (within 6 working days of mailing date) returning accurate separation information; i.e., the date the claimant last worked and the reason the claimant became unemployed. Answering this notice timely is the key to presenting your factual information for the determination process. Responses may be forwarded by facsimile (fax) to the number printed below the claims office address on the Form **BEN-241**.

## EMPLOYER NOTICE OF DETERMINATION - FORM BEN-8

Once the determination is made on a worker's claim, the separating employer is furnished a notice advising what action has been taken, the weekly benefit rate and the maximum benefits available. If there is a period of disqualification, that will also appear on Form **BEN-8**.

The back of the Form **BEN-8** provides an explanation of the most frequent disqualifications and their impact on benefit charges to your experience rating account. In addition to meeting the requirements of the law as it pertains to the separation from employment, the claimant must meet weekly qualifications concerning ability to work and availability for work.

## APPEALS

The law gives the right of appeal to a claimant and to the last employer if either is dissatisfied with the decision made by the UC Division. An employer or claimant may file an appeal within 15 days from the date on which a notice of determination on the claim is mailed, or 7 days from the date personally delivered. This means the appeal must be received by the department or one of its offices within the 15 or 7 days. If an appeal is not received within the time limit, the initial determination becomes final.

Appeals are first heard by an appeals referee. The decision of a referee may be appealed to the Board of Appeals and the decision of the board may be appealed to the circuit court.

**NOTE: A Federal Court order requires any employer filing an appeal relating to a discharge for alleged misconduct to provide a reasonably detailed statement of the factual allegations upon which the appeal is based. The claimant must be given a copy of the detailed allegations at least 10 days prior to a hearing.**

## FRAUDULENT CLAIMS

Only a small number of claimants intentionally falsify their statements in an effort to receive UC benefits. The UC Division is most vigilant in safeguarding the Trust Fund against fraudulent claims. Fraud is detected by matching wage reports submitted by employers against benefit payments for the quarters involved. **Unemployment Fraud may be reported through our fraud hotline, 1-800-392-8019.**

An individual who is guilty of making fraudulent statements is subject both to having overpayments assessed against the claim and to having an administrative penalty assessed. This reduces or totally cancels UC benefits to which the individual might otherwise be entitled. Flagrant cases of fraud are also prosecuted in the courts and convicted individuals are subject to criminal penalty involving fines and imprisonment.

**Alabama Law voids any agreement by an employee to waive or release rights to benefits or any other rights under [Chapter 25](#). Alabama Law also provides that any employer who makes a false statement to reduce the amount of any UC taxes due or who induces an employee to waive any rights to benefits is in violation of the law. Appropriate fines and/or imprisonment for such violations are also provided in the law.**

## **NOTICE OF POTENTIAL CHARGE - FORM BEN-8A**

When an individual is paid benefits which cause charges to be made to a base period employer's experience rating account, such base period employer is furnished with a Notice of Potential Charge. This does not apply to a separating employer, who has been notified of the determination earlier. If the employer has information showing that the claimant was separated for a reason covered by any of the provisions of Law providing relief of charges, such information must be furnished to the department within 15 days following the mailing date of the Notice of Potential Charge. A decision as to the removal of charges will be made administratively. The employer may request an administrative review of that decision with further appeal to the courts. The back of the Form **BEN-8A** provides an explanation of the most frequent disqualifications and their impact on benefit charges to your experience rating account.

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**STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131**

**NOTICE OF CLAIM AND REQUEST FOR SEPARATION INFORMATION**

IMPORTANT NOTE: If your response is not received by \_\_\_\_\_ a determination may be made based solely on information furnished by the claimant. Return one copy only to the address below:

MAIL TO:

The individual identified below has filed a claim for Unemployment Compensation benefits.

- |                          |                         |
|--------------------------|-------------------------|
| 1. CLAIMANT'S NAME :     | 5. BASE PERIOD BEGINS : |
| 2. SOCIAL SECURITY NO. : | 6. OFFICE-COUNTY :      |
| 3. DATE OF CLAIM :       | 7. MAIL CODE :          |
| 4. DATE MAILED :         | 8. TYPE CLAIM :         |

The claimant identified you as his/her last employer and alleges the reason for separation to be:

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EMPLOYER RESPONSE

9. Claimant's last day employed was \_\_\_\_\_.  
(If temporary layoff, enter expected date of recall: \_\_\_\_\_.)
10. If the claimant was paid vacation and/or separation pay or will receive a pension upon termination, or earned wages with you on or after the date shown in item 3. Above, complete the applicable space(s) below:
- a. GROSS WAGES \$ \_\_\_\_\_ paid for period \_\_\_\_\_ to \_\_\_\_\_
- b. VACATION PAY \$ \_\_\_\_\_ paid for period \_\_\_\_\_ to \_\_\_\_\_
- c. SEPARATION PAY \$ \_\_\_\_\_ paid for period \_\_\_\_\_ to \_\_\_\_\_
- (1) Was separation pay a legal obligation or a courtesy/gift? \_\_\_\_\_
- (2) If a legal obligation, what required that it be paid (contract, company policy, labor agreement, etc.)? \_\_\_\_\_
- (3) Does contract, policy, or agreement require that such payment be made with respect to a specific period following termination? \_\_\_\_\_ Explain: \_\_\_\_\_
- (4) Does contract, policy, or agreement provide for reduction of severance payments based on some act by the claimant after separation? \_\_\_\_\_ Explain: \_\_\_\_\_
- d. PENSION \$ \_\_\_\_\_ per month. Effective Date: \_\_\_\_\_
11. REASON FOR SEPARATION: (ATTACH ADDITIONAL SHEET(S) IF NECESSARY)
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

\_\_\_\_\_  
SIGNED

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
TELEPHONE NO.

**ALABAMA DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION**

**INSTRUCTIONS:** This individual has filed a claim for unemployment compensation. Please fill in the information requested in items 9 and 10. If item 8 is "N" and the claimant separated from you more than once since the date shown for item 5, give date and reason for each separation. If the claimant received separation pay or vacation pay upon termination or a pension for any period subsequent to the date in item 3, please give type, amount and period covered in item 10. In addition, state if separation pay was paid as a courtesy/gift or an obligation because of company policy, labor agreement or contract, and whether such policy, contract or agreement requires that payment be made with respect to a specific time following termination, and if provision are included to provide for reduction of severance payments based on some act by the claimant after separation. If there are other known conditions affecting right to benefits, please explain in item 11.

After completing the form, return one copy only to the address indicated on the front of this form and retain one copy for your records.

Information given on this form, if timely filed, will be given full consideration in deciding this claim. In addition to supplying this written information, you or your representative may arrange to be heard in person prior to the determination by contacting the office indicated on the front of this form by the date shown in the IMPORTANT NOTE.

The law requires that determinations on claims for unemployment compensation be made promptly and that if benefits are allowed, they be paid immediately thereafter. Further, a decision of the U.S. Supreme Court requires that once a determination allowing benefits has been issued, payment may not be stopped by the filing of an appeal until there has been a subsequent hearing and decision denying benefits.

**EMPLOYER RESPONSIBILITY**

In responding to a request for separation information concerning a former employee you should not use general terms such as insubordination violation of company policy, absenteeism, or simply quit. If known, state the reason the claimant quit. If the claimant was discharged, provide specific details concerning the final incident that resulted in the separation. For example, if the discharge was due to absenteeism, state when he was last absent, why he was absent, and if he properly reported the absence. Explain rules or policies violated or how the claimant was insubordinate. List dates and reasons for prior warnings.

You should furnish us with the reason(s) for separation promptly on this form and, if necessary, a separate sheet of paper. Prompt submittal of the facts is necessary for a good determination and could also protect your experience rating account. The facts you furnish will be used in the determination of eligibility and you will receive a notice of the administrative decision.

Employers who have elected reimbursement in lieu of contributions must, under provision of the Law, reimburse the agency for all payments made based on wages they paid to the claimant.

**Privileged information (Alabama Code 25-4-116):** All letters, reports, communication and other matters, written or oral from employer or employees to each other or to the director or any of his agents, representatives or employees which shall have been written, sent, delivered or made in connection with the requirements and administration of this Law shall be absolutely privileged and shall not be made the basis for any civil action for slander or libel in any court.

To save time and money, include the social security account numbers on all letters, correspondence, and payroll records you send to this department. We appreciate your cooperation.

**WARNING:** It is unlawful under Section 25-4-145 of the law to willfully make a false statement or fail to disclose any information in connection with an unemployment insurance claim.

STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
(334) 242-8620

**EMPLOYER NOTICE OF DETERMINATION**

1. CLAIMANT'S NAME :
2. SOCIAL SECURITY NO. :
3. OFFICE-COUNTY :
4. EFFECTIVE DATE :
5. BASE PERIOD BEGINS :
6. BENEFIT YEAR BEGINS :
7. WEEKLY BENEFIT AMOUNT :
8. MAXIMUM BENEFIT AMOUNT:
9. TYPE CLAIM :
10. DATE THIS NOTICE MAILED :
11. MAIL CODE :

SEE BACK OF THIS NOTICE FOR EXPLANATION OF MOST FREQUENT DISQUALIFICATIONS.

NOTE: THIS NOTICE IS FOR YOUR RECORDS. IF YOU WRITE REGARDING THIS  
NOTICE, SHOW CLAIMANT'S SOCIAL SECURITY NUMBER.

## EXPLANATION OF MOST FREQUENT DISQUALIFICATIONS

**SECTION 25-4-77(a)(3): NOT ABLE OR AVAILABLE FOR WORK.** Disqualified for the period indicated. In the case of an indefinite disqualification where the claimant remains disqualified until able and/or available, and reapplies for his/her job, the employer will be notified. No employer charges unless and until claimant receives benefits.

**SECTION 25-4-78(2): VOLUNTARILY LEFT WITHOUT GOOD CAUSE CONNECTED WITH WORK.** Claimant is disqualified until he/she returns to insured or other acceptable work and earns 10 x WBA (Item 7) and has been separated from such employment under non-disqualifying conditions. No portion of benefits paid shall be charged to the employer's tax rate account. Exception: Left because of illness or disability, including pregnancy, and complied with leave policy or, if no policy, notified employer of disability and sought reemployment when again able. No disqualification and employer charged.

**SECTION 25-4-78(3)a: DISCHARGED FOR DISHONEST OR CRIMINAL ACT, SABOTAGE, ACT ENDANGERING SAFETY OF OTHERS AND CERTAIN DRUG-RELATED OFFENSES.** Must be in connection with work. Disqualified until reenters employment and earns wages equal to 10 x WBA (Item 7) and separates from subsequent employment for a non-disqualifying reason. For the purposes of the experience rating provisions of Section 25-4-54, no portion of benefits paid shall be charged to the employer's tax rate account. The claimant shall not be paid benefits based on wages paid for the period of employment when the disqualifying event occurred.

**SECTION 25-4-78(3)b: DISCHARGED FOR MISCONDUCT CONNECTED WITH WORK OTHER THAN ACTS MENTIONED IN** Sec. 78(3)a after previous warning. Same effect as Sec. 78(2).

**SECTION 25-4-78(3)c: DISCHARGED FOR MISCONDUCT CONNECTED WITH WORK OTHER THAN ACTS MENTIONED IN** Sec. 78(3)a **OR** Sec. 78(3)b: Disqualified for the week in which discharged and the next 3 to 7 weeks. Reduces maximum benefits by number of weeks disqualified x weekly benefit amount. Relieves tax rate employer of ½ of benefit charges for benefits paid subsequent to period of disqualification.

**SECTION 25-4-78(3)d: SUSPENDED AS A DISCIPLINARY MEASURE CONNECTED WITH WORK, OR FOR MISCONDUCT CONNECTED WITH WORK.** Disqualified for the week or weeks (not to exceed four weeks) in which, or for which suspended. Does not relieve employer of charges for benefits subsequent to period of disqualification.

**SECTION 25-4-78(4): SEPARATED DUE TO REVOCATION OF NECESSARY LICENSE, PERMIT OR SURETY.** Disqualified until secures other work or license, permit or surety is restored and offers to return to work. Does not relieve employer of charges for benefits subsequent to period of disqualification.

**SECTION 25-4-78(5): FAILURE WITHOUT GOOD CAUSE TO ACCEPT SUITABLE WORK.** Disqualified 1 to 10 weeks from date of failure to accept work. Does not relieve employer of charges for benefits subsequent to period of disqualification.

Tax rate accounts of base period employers receive benefit charges for any benefits paid to the claimant unless relieved by disqualification. Benefit charges reflect the percentage of cost equal to the percentage which the employer's wages bear to the total base period wages. If you are not an Alabama contributory employer, references to employer charges are not applicable.

STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY ALABAMA 36131

**NOTICE OF POTENTIAL CHARGE TO YOUR TAX RATING ACCOUNT**

**IMPORTANT: Charges are final unless your reply is returned by fax or US Mail within 15 calendar days from date mailed (Item 6). See reverse side for complete mailing address.**

<b>FAX:</b>	<b>(334) 242-2068</b>
<b>Telephone:</b>	<b>(334) 242-8888</b>
<b>TDD Message:</b>	<b>1-800-548-2546</b>

1. Claimant's Name: _____	2. SSN: _____	3. Off-Co: _____ - _____	4. Claim Date: ____/____/____
5. Date of Charge: ____/____/____	6. Date Ben-8A Mailed: ____/____/____	7. Base Wage Period: From: ____/____/____ To: ____/____/____	8. Base Period Wages Earned with YOUR Account: \$ _____

The claimant identified above was separated from employment and has filed a claim for unemployment compensation. The claim has been approved based on the reason for separation from the claimant's most recent employer. As you are a former employer during the base period shown in Item 7, benefit charges have been made to your tax rating account. All or part of the benefit charges to your account may be removed if the claimant quit your employ without good work-related cause, was discharged for misconduct connected with work, or continues to work part-time with similar wages and hours as those within the base period. For these conditions, submit this form completed in accordance with the instructions on the back of this page.

If the claimant was not separated from employment under one of the above conditions at any time after the "From" date in Item 7 and does not continue to work part-time, no reply is needed unless the claimant received payments other than wages from you for any period after the "Claim Date" in Item 4. If the claimant was separated for a lack of work, it is not necessary to return this form. Benefit charges would be correct and final.

**NOTE:** If the claimant did not work for you but worked for a previous owner of your business and you acquired the tax rating account, you also acquired liability for charges. Thus, you must respond with information for consideration of benefit charge removal.

**THIS SECTION MUST BE COMPLETED AND SIGNED**

**EMPLOYER RESPONSE: \*\*Detailed information may be necessary, with the exception of Item 9(c). Attach additional sheets if needed. See reverse side of this form for further instructions and information. \*\***

9. The Claimant: (a)  voluntarily quit. (b)  was discharged. (c)  was laid off. (d)  was otherwise separated.  
(e)  works part-time, on-call, as needed. (f)  continues to work part-time, no change in hours/schedule.

10. Specific details related to the separation of this claimant are: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. Last date worked with your business: \_\_\_\_/\_\_\_\_/\_\_\_\_ (MM/DD/YY)

12. If claimant received payments other than wages after the claim date shown in Item 4, enter amount: \$ \_\_\_\_\_

13. I certify that the above information is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature and Title of Company Representative

\_\_\_\_\_  
Date

## INSTRUCTIONS FOR COMPLETING FORM BEN-8A

You are a former employer during the base period of the claim and benefit charges have been made to your tax rating account. To consider such benefit charge removal:

- (1) **GIVE DETAILED INFORMATION:** If the claimant quit your employ, state the reason for quitting. If the reason is not known, describe the circumstances which led you to conclude the claimant quit. If discharged, provide details and date of final incident resulting in the discharge. If the claimant was previously warned about such act, so advise. If the claimant is not separated but continues to work part-time on a regular basis, explain the agreement of hire and the wages/schedule after the claim date in Item 4. If the claimant has been separated on more than one occasion during the period indicated in Item 7, provide the date, reason, and wages earned by the claimant for each separation.
- (2) **SIGN THE FORM:** Failure of the employer, or employer's authorized representative, to sign the form will result in denial of your request for benefit charge removal.
- (3) **RETURN THIS FORM WITHIN 15 CALENDAR DAYS FROM THE DATE IN Item 6.** Timeliness of return is determined by the postmark date, if mailed or fax receipt date, if faxed. **If you respond by fax, do not send a copy by mail.**

*It is unlawful under Section 25-4-145 of the Alabama Unemployment Compensation Law to willfully make a false statement or fail to disclose any information in connection with an unemployment insurance claim.*

### EXCERPTS FROM SECTIONS OF ALABAMA UNEMPLOYMENT COMPENSATION LAW THAT PROVIDE CHARGE REMOVAL

(The UC Law may be downloaded at <http://alisdb.legislature.state.al.us/acas/CodeOfAlabama/1975/123035.htm>)

- 25-4-78(2) – Voluntarily quit without good cause connected with the work. Employer relieved of all (100%) benefit charges based on the period of employment ending with such separation.
- 25-4-78(3)a – Discharged for dishonest or criminal act, sabotage, act endangering safety of others. Must be in connection with work. Effective with separations after July 3, 1994, use of illegal drugs, refusal to take a drug test, or altering a drug test if:
- (1) The employer has a reasonable drug policy;
  - (2) The drug test meets Department of Transportation or other reliable standards;
  - (3) The employee has been advised of the drug policy in writing.
- Employer relieved of all (100%) benefit charges based on the period of employment ending with such separation.
- 25-4-78(3)b – Discharged for actual or threatened deliberate misconduct in connection with work after previous warning. Employer relieved of all (100%) benefit charges based on the period of employment ending with such separation.
- 25-4-78(3)c – Discharged for misconduct connected with work other than acts mentioned above. Employer relieved of one-half (50%) benefit charges.
- 25-4-54(b)(2) – Continues to work part-time with similar wages and hours as those in the base period. Employer relieved of all (100%) benefit charges based on the period of employment ending with such separation.

#### MAIL TO:

Department of Industrial Relations  
Experience Rating Section  
649 Monroe Street  
Montgomery, AL 36131

OR

#### FAX TO:

(334) 242-2068

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## CHAPTER 4

### EXPERIENCE RATING

Experience rating is a method under which the tax collected is related to the benefit costs. This is similar to the way a commercial insurance company determines premium rates. Past experience serves as a key factor in the rate determination.

In effect, the experience rating plan provides lower rates for employers whose unemployment experience costs the Trust Fund less, and higher rates for those whose experience results in a greater cost factor. By relating tax rates to benefit costs the primary objectives of experience rating are reached.

Through the “tax rate - benefit cost” relationship, employers:

- Pay taxes at rates related to past lay-offs, thereby rewarding those employers with low unemployment in ratio to their total number of workers.
- Assist the department in its efforts to stabilize employment, a responsibility set by law upon the department.
- Provide information needed to prevent benefit payments to unqualified persons.

How this very complex system affects employers is described below. More detailed information can be obtained on request.

#### DEFINITIONS

In order to understand the system, the terms used in connection with experience rating must be defined. Some of the more important and widely used terms include:

- **Benefit Charges.** The cost of benefits paid to an individual is known as benefit charges. Benefit charges are allocated to the employer’s experience rating account in accordance with the percentage which base period wages reported for the individual by the employer relate to the individual’s total base period wages paid by all employers. The employer’s account may receive charges during each quarter in which benefits are paid.
- **Benefit Year.** The one (1) year period from the effective date of a new valid claim filed by an eligible unemployed person is the benefit year. The effective date is normally the first day (Sunday) of the calendar week in which the claim is filed. If the benefit year begins on November 24, it ends on November 23 of the following year.

In addition to the above definitions there are others which are included in the experience rating formula. This formula contains the following five elements:

- **Total Benefit Charges.** The total of benefit charges are those charges to the employer's account during not less than the fiscal year and not more than the three fiscal years preceding the January 1 for which the rate is being computed. (In some cases an employer does not have three fiscal years of measurable unemployment experience because it has not been a subject employer long enough.)

**A "fiscal year" is the 12 consecutive month period ending on June 30.**

- **Total Taxable Payroll.** The total taxable payroll is the total taxable portion of the employer's payroll (upon which taxes are paid by the preceding July 31) for the same period of time that is used in the definition of benefit charges. Experience rating accounts are credited with only taxable wages on which taxes are paid. Taxable wages, as used in this computation, are the first \$8,000 paid to an employee by an employer during a calendar year.
- **Employer's Benefit Ratio.** The percentage used in the computation of an employer's tax rate, is the ratio of benefit charges to the taxable payroll credited to the employer's experience rating account during the one, two, or three (at least one but not more than three) fiscal year period. For example, for the tax rate year beginning January 1, 1998, an employer had 1995, 1996 and 1997 fiscal year wages credited to its account totaling \$100,000. During these same three fiscal years, \$10,000 in benefit charges had been allocated to its account. The Employer's Benefit Ratio would be 10% (or  $\$10,000 \div \$100,000$ ).
- **Schedule.** Used in the computation of tax rates, determined by December 1 each year. The level of the Trust Fund determines the single schedule to be in effect for the tax rate year beginning January 1. The "desired level," calculated by the formula contained in the Law, is a projection of the funds which may be needed to pay benefits. The four schedules are:
  - Schedule A - Fund balance is 125% or more of the desired level.
  - Schedule B - Fund balance is equal to or greater than the desired level but less than 125%.
  - Schedule C - Fund balance is less than the desired level but at least 70% thereof.
  - Schedule D - Fund balance is less than 70% of the desired level.
- **Shared Cost.** Shared costs are those costs incurred by the system which cannot be effectively charged to a specific employer. Shared costs are reduced by interest earned on the Trust Fund and excess contributions of employers. When it is determined that Schedule A is to be in effect, minimum rated employers will have no shared cost. In Schedule B, minimum rated employers with an employer's benefit ratio of zero will have no shared cost. Any applicable shared cost will be shown on the front of the Tax Rate Notice and must be added to the employer's computed rate to determine its contribution rate.

Other useful definitions include the base period, the maximum benefit amount and the weekly benefit amount which are covered in detail in [Chapter 3](#).

## **EMPLOYER CONTROL OF BENEFIT CHARGES**

The definition of Benefit Charges was given briefly earlier in this chapter. Now let's look more into the mechanics of the procedure and see what affect these charges have, and what the employer can do about controlling charges to its account.

Before a charge is made to an employer's account, a former worker files a claim for benefits. When this claim is filed, a record of the wages during the base period is used to determine whether the claimant has sufficient wages to qualify for benefits. If so, the reason for the immediate unemployment must be determined. This is done by mailing a "Request for Separation Information" to the last bona fide employer. The employer has six work days from the mailing date in which to complete and return this request to the office designated on the request. Timely information will be fully considered in determining if the reason for separation allows payment of benefits.

At the time a former worker is paid benefits, all base period employers, which are not the last separating employer for the claim, are furnished a notice of potential charge to your tax rating account (Form **Ben-8A**.) If the former employee voluntarily quit the job, was discharged for work related misconduct, or continues regular part-time employment with wages/hours similar to those within the base period the employer must reply to this notice within fifteen days from the mailing date.

In completing the request for separation information or in replying to the notice of potential charge, the employer should give the actual detailed circumstances under which the employee was separated. The employer should furnish names, exact dates and all the details pertaining to the separation – especially if there is any possibility the separation was for a disqualifying reason. If the requested information is not provided within the time specified on the respective forms, the determination concerning benefit payments and/or charges may be made without information from the employer.

If employees are separated, rehire or call them back as soon as possible. This will terminate their benefits, thus reducing benefit charges to your account.

Normally, no action is necessary until the employer is requested to furnish separation information or is notified of payment of benefits to a former worker. **There is one exception.** When an employer discharges a worker for gross misconduct the employer should immediately send written notice to the Chief of Benefit Operations, Unemployment Compensation Division, Industrial Relations Building, Montgomery, Alabama 36131-4200. Be sure to give the employee's NAME, SOCIAL SECURITY NUMBER and EXACT DETAILS of the separation. Gross misconduct is a work related dishonest or criminal act, sabotage, or an act endangering the safety of others. Gross misconduct includes use of illegal drugs, refusing to take a drug test or altering a drug test if the employer has a reasonable drug policy and the drug test meets Department of Transportation standards. The employee must have been advised in writing of the policy.

Providing immediate notice of a gross misconduct separation can best protect the employer's tax rate record. However, if the employer has failed to provide such notice, reply should be made to the request for separation information or notice of potential charge.

After all available facts of the case have been considered, a charge decision will be made, and the employer will be notified. The notice will include an explanation of the employer's protest rights.

After the end of each quarter each employer receiving benefit costs during the quarter is mailed a Statement of Benefit Costs, Form **UC-212**. Listed on this statement are the name and social security number of each claimant, the date the benefit year began, and the amount of benefit costs paid during the stated quarter. Immediately upon receipt of the statement the employer should review the charges to verify their accuracy. If an error is found the employer must request a correction or make a protest within 30 days of the mailing date of the statement.

With the record of these charges the employer can determine its benefit ratio which will govern its tax rate by dividing the total benefit costs for the three preceding fiscal years by the total taxable payroll credited for the same period of time.

## **HOW YOUR TAX RATE IS COMPUTED**

Each employer is notified annually on Form **UC-216**, not later than January 30, of its tax rate for the calendar year. Each tax rate year is the four quarter period beginning January 1 and ending on the following December 31. The tax rate notice includes the computation of the employer's tax rate and lists, by fiscal year, the benefit charges and taxable payroll used in the computation of the tax rate. Only taxable payrolls upon which taxes have been paid by the preceding July 31 are credited to an employer's experience rating account and are used in the computation of an employer's subsequent January 1 tax rate.

In addition, the Tax Rate Notice notifies the employer of the Schedule, which is one of the elements of the rate formula.

The Schedule is intended to maintain the Trust Fund at a level adequate to pay benefits.

<p><b>Failure to pay taxes when due can cause an employer to receive a higher tax rate! Make sure all reports are filed and all taxes are paid on time!</b></p>
---

## **PENALTY RATE**

For calendar years 1997 - 1998, employers shall be assigned a penalty rate equal to the maximum rate of the prevailing tax rate schedule for that year and the shared cost assessment for that year, if both of the following occur:

- (1) The employer is eligible for an experience rating under Section 25-4-54; and
- (2) On October 1, subsequent to each fiscal year (July 1 - June 30) the employer is delinquent in the payment of monies or filing of quarterly contribution and wage reports, or both, for any calendar quarters ending on or prior to June 30, 1996, and each fiscal year thereafter.

For calendar year 1999 and each calendar year thereafter, employers shall be assigned a penalty rate equal to the maximum rate of the prevailing tax rate schedule for that year and the shared cost assessment for that year, if all of the following occur:

- (1) The employer is eligible for an experience rating under Section 25-4-54.
- (2) The employer is delinquent in the payment of taxes or assessments, or both, in excess of twenty dollars (\$20) or in the filing of quarterly contribution reports or wage reports, or both, for any quarter prior to the four quarters of the immediately preceding calendar year.
- (3) The employer has received adequate written notices of the delinquency, one of which shall be by certified U.S. Mail, return receipt requested.

**The penalty tax rate was repealed May 30, 2001, to become effective as of January 1, 2002, and each year thereafter. However, the Penalty Tax Rate remains effective for calendar years 1997-1999.**

## **APPEALING YOUR TAX RATE**

If, in checking the tax rate, the employer finds that the taxable payroll is in error, the benefit charges differ from those contained on the statements of benefit costs, or if the calculations are incorrect, a request for review should be filed. The request for review of the tax rate must be filed within 30 days from the date the notice was mailed. If the employer disagrees with the review, he/she may appeal to the circuit court of the county in which the business is located or Montgomery County, at their option, within 30 days of the final review.

**Even if an error is made on your tax rate, unless an appeal is made within the 30 day limit, it cannot be changed.**

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**STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
PHONE:(334) 242-8888 TDD: 1-800-548-2546**

**EXPERIENCE RATING CHARGES**

**Statement of Benefits Charged to your Record During the Quarter Indicated**

ACCOUNT NUMBER	QTR ENDING DATE MO / DA / YR	MAILING DATE MO / DA / YR

**IMPORTANT:** Charges become final unless request for review is submitted within 30 days from the mailing date. Review request should refer to your account number and should be sent to the attention of the Experience Rating Section at the above address.

CLAIMANTS		BENEFIT YEAR BEGINS	AMOUNT OF REGULAR BENEFIT CHARGES	AMOUNT OF EXTENDED BENEFIT CHARGES	TOTAL BENEFIT CHARGES
NAME	SOCIAL SECURITY ACCOUNT NUMBER	MO DAY YEAR			
<b>* * * T O T A L</b>	<b>* * *</b>		\$		\$

**EXPLANATION OF TERMS USED ABOVE**

COLUMN 3 "BENEFIT YEAR BEGINS" is the effective date of the claim, established when the claimant first files a claim for unemployment benefits.  
 COLUMN 4 "AMOUNT OF REGULAR BENEFIT CHARGES" is the employer's share of regular benefits issued during the specified quarter. "CR" indicates credit of previous charges.

COLUMN 5 "AMOUNT OF EXTENDED BENEFIT CHARGES" is the employer's share of extended benefits issued during the specified quarter. "CR" indicates credit of previous charges.

COLUMN 6 "TOTAL BENEFITS" is the sum of COLUMNS 4 and 5.

**THIS STATEMENT IS THE EMPLOYER'S RECORD OF BENEFIT CHARGES FOR THE QUARTER INDICATED. IT IS NOT A BILLING STATEMENT.**

**EMPLOYER COPY**

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STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
PHONE: (334) 242-8888 TDD: 1-800-548-2546

# TAX RATE NOTICE

EFFECTIVE DATE:

MAILING DATE

M O N	D A Y	Y R.

**IMPORTANT:** The tax rate is final unless request for review is submitted within 30 days from the above mailing date. Review request should be sent to the attention of Experience Rating Unit at the above address.

Please refer to your account number in correspondence with this Department

EMPLOYER'S ACCT. NUMBER	SCHED	SHARED COST %	+	EMPLOYER'S COMPUTED RATE %	=	EMPLOYER'S TAX RATE %	ESA %

FISCAL YEAR	BENEFIT CHARGES	TAXABLE PAYROLL	
			EMPLOYER'S BENEFIT RATIO
÷		= %	

## HOW YOUR TAX RATE IS COMPUTED

Each employer eligible for experience rating is notified annually, not later than January 30, of its tax rate for the calendar year. The Tax Rate Notice shows the benefit charges and taxable payrolls for each fiscal year considered in computing the employer's tax rate under the experience rating method. Benefit charges are the employer's cost for actual benefits paid to former employee(s). Only taxable payrolls upon which taxes have been paid by the preceding July 31 may be used in computing the rate effective January 1.

Fiscal year 1996, and each fiscal year thereafter, is the twelve month period beginning July 1 and ending the following June 30.

The employer's benefit charges for each fiscal year are added to obtain the three-fiscal-year total. The employer's taxable payroll for each fiscal year are added to obtain the three-fiscal-year total. Total benefit charges are then divided by total taxable payroll to obtain the employer's benefit ratio.

The Tax Rate Notice also notifies the employer of the statewide schedule and shared cost ratio. The schedule (A, B, C or D) is determined by the relationship of the trust fund's balance to the desired level of the fund. Shared costs are the costs defined by law which cannot be effectively charged to a specific employer.

With knowledge of its own benefit ratio and the statewide schedule, the employer can verify the computed rate by using the tax rate table. THE TAX RATE TABLE CONTAINED IN SECTION 25-4-54(F) OF THE UNEMPLOYMENT COMPENSATION LAW OF ALABAMA IS PRINTED ON THE REVERSE SIDE OF THIS NOTICE. In order to determine the tax rate, applicable shared cost must be added to the computed rate.

- See Reverse Side -

## TAX RATE TABLE

To use the tax rate table, read down the column indicated "IF THE EMPLOYER'S BENEFIT RATIO IS:" until you come to the first percentage which equals or exceeds your benefit ratio which is shown on the front side of this notice. Then read across the horizontal line with the benefit ratio to the right. Your computed rate is indicated under the vertical column which corresponds with the schedule (A, B, C, or D) shown on the front side of this notice. All computed rates from the tax rate table, except 5.40%, must be reduced by 0.06%, the amount of the Employment Security Enhancement Assessment (ESA). For example, a computed rate of 2.30 from the tax rate table must be reduced to 2.24.

Your computed rate shown on the front of this notice has been reduced for the 0.06% ESA, if applicable.

		EMPLOYER TAX RATE SCHEDULE:			
LINE NO.	IF THE EMPLOYER'S BENEFIT RATIO IS:	A	B	C	D
1	0.00-0.39	0.20	0.35	0.50	0.65
2	0.40-0.59	0.35	0.50	0.65	0.80
3	0.60-0.79	0.50	0.70	0.90	1.00
4	0.80-0.99	0.70	0.90	1.10	1.20
5	1.00-1.19	0.85	1.10	1.30	1.40
6	1.20-1.39	1.00	1.30	1.55	1.65
7	1.40-1.59	1.15	1.50	1.75	1.90
8	1.60-1.79	1.30	1.70	1.95	2.15
9	1.80-1.99	1.45	1.90	2.15	2.40
10	2.00-2.19	1.60	2.10	2.40	2.65
11	2.20-2.39	1.75	2.30	2.60	2.85
12	2.40-2.59	1.90	2.50	2.80	3.10
13	2.60-2.79	2.05	2.70	3.05	3.35
14	2.80-2.99	2.20	2.90	3.25	3.60
15	3.00-3.19	2.35	3.10	3.50	3.85
16	3.20-3.59	2.50	3.40	3.80	4.20
17	3.60-3.99	2.80	3.80	4.25	4.70
18	4.00-4.39	3.10	4.20	4.70	5.20
19	4.40-4.79	3.40	4.60	5.10	5.70
20	4.80-5.19	3.70	5.00	5.50	6.20
21	5.20-5.59	4.00	5.40	6.00	6.70
22	5.60-5.99	4.30	5.40	6.00	6.70
23	6.00-6.39	4.60	5.40	6.10	6.80
24	6.40-6.79	4.90	5.40	6.10	6.80
25	6.80-7.19	5.20	5.40	6.10	6.80
26	7.20 or over	5.40	5.40	6.10	6.80

### PAYMENT OF TAXES AND ESA

The tax rate on the front of this notice will be shown on page 1, line 4, of the Quarterly Contribution and Wage Report (UC-CR4). The ESA on the front of this notice will be shown on page 1, line 6. Tax and any applicable ESA are due on the first \$8,000 the employer pays each employee during the calendar year. Quarterly reports and payments are due the last day of the month following the end of each quarter.

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## CHAPTER 5

### GOVERNMENTAL EMPLOYERS

**This chapter explains special procedures for governmental employers that may be different than the information found in chapters [1](#), [2](#), and [4](#). [Chapter 3](#) applies to all employers.**

#### Governmental Entities

- **State Governmental Units** - The law provides “The whole of state government is considered to be one single entity.” Therefore, the various departments, agencies, boards, commissions, or other instrumentalities which administer the various functions of the government of the State of Alabama are covered and liable for the reimbursement of unemployment benefits paid to their workers.
- **Local Government** - A local governmental entity consists of each county, city or town, school district or instrumentality of any single local governmental entity or one organized and operated jointly by two or more entities.
- **Local Governmental Instrumentalities** - These are defined as being separately organized and operated independent organizations of a county or municipality to carry on some function of government for the city or county, or jointly, with power to hire, supervise and discharge its own employees, and generally to sue and be sued in its own name, to contract and to hold and convey real and personal property. Examples are: housing authorities, water and sewer boards, industrial development commissions, etc.
- **Federal Government and Instrumentalities** - All units of the federal government including military entities are covered for UC purposes. Employees may file their claims with the Alabama UC Division. These agencies are billed on a reimbursement method of payment for all benefits paid.

#### Governmental Exclusions

The exclusions apply to services performed by an individual, not to the function of governmental entity. The exclusions are applied to services performed:

- By a recipient of services provided in a facility for rehabilitating persons whose age, physical or mental deficiency, or injury has impaired their earning capacity or persons in a sheltered workshop who cannot readily get jobs in the competitive labor market. It does not apply to the services of the administrators or instructors of such a program, but rather to those who would benefit from its program objectives, although they may be paid a stipend.
- As a part of an unemployment work relief or work training program assisted in whole or in part by any federal, state, county or local agency by a participant.

- In the employ of a school, college, or university by either of the following:
  - (1) A student who is enrolled and regularly attending classes at such school.
  - (2) The spouse of a regularly enrolled student, if the spouse is advised at the beginning of such employment that:
    - (a) The employment is provided as a program giving financial assistance to the student by the school.
    - (b) Such employment will not be covered by unemployment insurance.
- For a governmental employer by an inmate of a custodial or penal institution.
- In a hospital by:
  - (1) A patient;
  - (2) A student nurse while regularly attending classes in a nurses training school; or
  - (3) An intern who has completed a four year course in a medical school.
- Casual labor not in the usual course of the entity's regular activity or function.
- By an individual who is enrolled in a public educational institution in a full-time program, taken for credit, which combines academic instruction with work experience, when the integral part of the work-educational program has been certified to the employer. This does not apply to a program established on behalf of an employer.
- Any individual in the exercise of duties:
  - (1) As an elected official.
  - (2) As a member of a legislative body.
  - (3) As a member of the judiciary of the state or political subdivision.
  - (4) As a member of the State National Guard or Air National Guard.
  - (5) As an employee serving on an emergency temporary basis in case of fire, snow, earthquake, flood or similar emergency (This exclusion does not apply to permanent employees whose usual responsibilities include emergency situations.)

- (6) As a major nontenured policymaking or advisory position or a policymaking or advisory position the performance of the duties of which ordinarily does not require more than 8 hours per week.
- (7) As an ordained and licensed minister in the performance of his ministerial duties.

## **Definitions**

“Institution of higher education” for the purposes of this section, means an educational institution which:

- (1) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate; and
- (2) Is legally authorized in this state to provide a program of education beyond high school; and
- (3) Provides an educational program for which it awards a bachelor’s or higher degree, or provides a program which is acceptable for full credit toward such a degree, or a program of training to prepare students for gainful employment in a recognized occupation.

“Educational Institution,” for the purposes of this section, means an institution (except an institution of higher education as defined above) which meets the following three conditions:

- (1) Participants, trainees, or students are offered an organized course of study or training designed to transfer to them knowledge, skills, information, doctrines, attitudes or abilities from, by, or under the guidance of an instructor(s) or teacher(s).
- (2) It is approved, licensed or issued a permit to operate as a school by the State Department of Education or other government agency that is authorized within the state to approve, license or issue a permit for the operation of a school.
- (3) The courses of study or training which it offers may be academic, technical, trade, or preparation for gainful employment in a recognized occupation, as opposed to study or training in the social graces or skills or whose primary purpose is to provide baby sitting or day care services, although some learning activities may be included.

In any particular case, the question of whether or not an institution is an educational institution (other than an institution of higher education) within the meaning of the criteria described above will depend on what that particular institution actually does.

“Hospital” means an institution which has been licensed, certified or approved by the State Board of Health or the State Board of Mental Health as a hospital or a similar institution operated by the state or any of its political subdivisions or by any instrumentality of either of the foregoing.

“Contract” - The contract or contracts with an institution of education may take a number of forms. For example, an individual who has “tenure” and will resume his post when the next academic term or year begins is considered to have an ongoing contract even though he has no formal written contract. In some cases, the contract may be merely a notice of appointment or reappointment or a letter indicating that the services have been accepted. Generally, so long as there is a mutual commitment, the services are considered to be covered by a contract. Generally established academic customs and traditions, and those peculiar to the particular institution involved, would be significant in determining whether there is an employment relationship between the institution and the individual.

“Reasonable Assurance” means a written, verbal or implied agreement that the employee will perform services in any capacity for any educational institution during the ensuing academic year or term.

## **FINANCING BENEFIT COSTS BY GOVERNMENTAL ENTITIES**

Like any program or activity, the UC program costs money. Funds must be available to pay benefits to unemployed and eligible claimants, and the cost of administering the program must be borne. In this program, state and local governmental entities are required to bear only the cost of benefits. The administrative costs are paid by the U.S. Department of Labor from taxes collected from business, industrial, agricultural and domestic employers.

## **REIMBURSING EMPLOYERS WAGE AND CONTRIBUTION REPORTS**

### **For Reimbursing Employers:**

UC advance payments are due quarterly. This report (Form **UC CR4G**) is due each quarter, after the second quarter of coverage, not later than the 10th day of the first month of each quarter. Prompt compliance with payments and reporting requirements may prevent the assessment of costly penalties and interest.

Total Wages for all employees, as defined in the law, must be reported on a calendar quarter basis. Wages are reported on Form **UC-10-R**. The quarterly report is due not later than 30 days after the close of each calendar quarter. Items 3 and 4 need not be completed by those entities operated by the State of Alabama since they apply only to local governmental entities.

A wage report must be filed for each quarter even if no wages were paid. In such event, the report should bear the notation “no remuneration paid in this quarter.”

## CHOICE OF METHODS

Local governmental agencies are given the choice of two (2) methods of financing benefit costs. State agencies have no choice, since the Legislature has made that choice already. The two methods are:

- (1) **Contributory or “tax rate” system** - Under this system, an agency coming under the law for the first time would be liable for quarterly payments equal to 2.7% of their payroll. The taxable payroll is the first \$8,000 paid to individual employees during a calendar year. Remuneration paid for services exempted under exclusions should not be included in wage and contribution reports. Chapters [2](#) and [4](#) cover contributory employers.
- (2) **Payments in lieu of contributions or the “reimbursing” method** - Under the reimbursing method, governmental agencies (state and local), while making certain advance payments to the Trust Fund, pay the cost of benefits paid to former employees which is attributable to wages paid by the agencies.

Changes are allowed for local agencies, after an initial option. They are effective on January 1, provided a written application is made by December 1 prior thereto. Local agencies which switch from the tax rate system to the reimbursing method must remain on that method at least two calendar years.

Employers may change to the other method any January 1, following six calendar quarters of coverage, ending on September 30, by filing the written application by December 1, prior to that January 1. A reimbursing employer who changes to the tax rate method of financing will assume the tax rate, based on unemployment experience, that would be applicable had the reimbursing employer been a tax rated employer during the period of measured unemployment experience.

The option to change must be made only by the governing body of the local entity. For example, only the County Board of Revenue or County Commission, may make the option. For cities, only the City Council or Commission; for others, the Board of Directors or equivalent may make the choice. A copy of the resolution adopted, or the minutes of the meeting during which the decision was made, must be provided. The initial option to reimburse must be made within 30 days from the date the entity comes into existence; otherwise, the tax rate option is assigned.

Under this method the local entity reimburses the Trust Fund for the benefits paid to their former employees which are attributable to wages paid by the local entity. The reimbursement is on a “dollar for dollar” basis. If a dollar is paid out, a dollar is paid back.

In order for sufficient monies to be available in the Trust Fund, the governmental entities will make advance payments to the Trust Fund, and an annual accounting and adjustment will be made to balance the account.

## HOW DOES THE GOVERNMENTAL REIMBURSING METHOD WORK?

### Advance Payments

Prior to April 1 each year, an advance payment rate is computed for each local government reimbursing employer. The employer is notified by April 1, of the rate which becomes effective the following October 1, for a period of four consecutive calendar quarters, Form **UC-216A**.

The rate is computed by dividing the benefit cost attributable to the employer into the employer's total covered payroll for the same period. The percentage thus derived is the advance payment rate.

The amount of the advance payment is computed by multiplying the advance payment rate by the employer's average quarterly payroll for the preceding calendar year. The law permits adjustments to increase or decrease advance payments to minimize under payments or excess payments.

Form **CR 4G** is forwarded to the employer approximately ten days prior to the end of a quarter and is to be returned with the advance payment by the due date which is the tenth day of the month following the end of the quarter.

After September 30, the reimbursing account of each entity will be examined to determine whether the advance payments have equaled the benefit payments made and charged to their account. If found to be less than benefit cost, a debit will be issued. The debit, **Form UC212G**, must be paid within 20 days from the date of mailing. If payments exceed benefit costs, a credit, **Form UC29G**, will be issued which may be applied to subsequent payments. An outstanding credit will be refunded, if requested.

Below are 2 examples of computing an advance payment rate.

- Example 1:

1997 Total Covered Payroll	\$1,200,000
1997 Total Benefit Costs	7,200
Thus: $\frac{\$7,200}{\$1,200,000}$	= 0.006 or 0.6%

- Example 2:

1997 Total Covered Payroll	\$1,200,000
1997 Total Benefit Costs	24,000
Thus: $\frac{\$24,000}{\$1,200,000}$	= 0.02 or 2%

## HOW CAN YOU KEEP UP WITH CHARGES TO YOUR REIMBURSING ACCOUNT?

When a former employee files a claim for benefits, the monetary entitlement is based on covered wages during the base period. If all base period wages were earned in the employer's employ, then the employer would be responsible for 100% of the benefit cost.

If the claimant has been paid wages by two or more employers in the base period, the reimbursing employer will be charged a percentage of the cost equal to the ratio the wages paid by the reimbursing employer bears to the claimant's total base period wages. If his total base period wages were, for example, \$10,000, of which \$5,000 were paid by an employer, the ratio would be 50%.

When a reimbursing employer discharges an employee for any of the reasons listed below, notification must be given to this department at the time of discharge. The notification must be in writing in order to prevent benefits, based on this period of employment, being paid.

- A dishonest or criminal act.
- Sabotage.
- An act endangering the safety of others.
- Use of illegal drugs, refusing to take a drug test or altering a drug test, if all of the following conditions are met.
  - The employer has a reasonable drug policy.
  - The drug test meets the Department of Transportation standards.
  - The employee has been notified in writing of the drug policy.

If a claim, based on this period of employment, is ever filed, this notification by the employer advises us to delete the wages from use on the claim. Further fact finding may be necessary after a claim is filed to assist the department in making the correct decision.

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STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
(334) 242-8075

**WAGE REPORT FOR EMPLOYERS MAKING  
PAYMENTS IN LIEU OF CONTRIBUTIONS**

Return Page 1 and Page 2. All items are to be completed y ALL entities of local government (counties and cities and their instrumentalities) and non-profit organizations. THOSE ENTITIES OPERATED BY THE STATE OF ALABAMA DO NOT COMPLETE ITEMS 2 AND 3.

Check here and explain on a separate sheet if any change in name, address, or ownership has occurred during this quarter.

This is to certify that the information in this report is true and correct to the best of my knowledge.

Signature \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Date \_\_\_\_\_

1.	Total wages paid this quarter.		For Quarter Ending	Date Due
2.	Wages in excess of \$8,000 for calendar year paid to individual workers during this quarter.		Employer Account Number Must Be 1 <sup>st</sup> Ten Digits	For State Use Only
3.	Net taxable wages. (Item 1 minus Item 2)		Liability Dates Employer                      Employee	
THIS REPORT IS DUE BY THE END OF THE MONTH FOLLOWING THE END OF EACH CALENDAR QUARTER. A PENALTY OF \$25 IS ASSESSED FOR LATE FILING.			4. Number of workers earning wages during the pay period which includes the 12 <sup>th</sup> of each month. 1 <sup>ST</sup> 2 <sup>ND</sup> 3 <sup>RD</sup> MO. _____ MO. _____ MO. _____	

DO NOT WRITE BELOW THIS LINE



STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
(334) 242-8075

**REPORT OF PAYMENT TO UNEMPLOYMENT  
COMPENSATION TRUST FUND  
GOVERNMENTAL EMPLOYER**

EMPLOYER ACCOUNT NUMBER \_\_\_\_\_

DATE MAILED \_\_\_\_\_

THIS REPORT MUST BE SIGNED AND RETURNED WITHIN 10 DAYS OF THE QUARTER BEGINNING DATE EVEN IF THE AMOUNT DUE IS \$0.00.

IF REMITTANCE IS DUE, MAKE CHECKS PAYABLE TO THE DEPARTMENT OF INDUSTRIAL RELATIONS AND RETURN THIS FORM TO THE ADDRESS SHOWN ABOVE.

This is to certify that the information contained in this report is true and correct to the best of my knowledge and belief.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Report for Quarter Beginning \_\_\_\_\_ for Account Number \_\_\_\_\_

\$	X	%	=		-		=	\$
average quarterly covered payroll for calendar year 20____		advance payment rate		amount due		less credit		amount remitted

**PLEASE DO NOT WRITE BELOW THIS LINE**

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## CHAPTER 6

### NON - PROFIT ORGANIZATIONS

**This chapter explains special procedures for non-profit organizations that may be different than the information found in Chapters [1](#), [2](#), [4](#) and [5](#). [Chapter 3](#) applies to all employers.**

Non-profit organizations engaged in exclusively religious, charitable, scientific, literary or educational purposes or for the prevention of cruelty to children or animals are liable, if they employ four (4) or more individuals on the same date in each of twenty separate weeks within a calendar year, whether or not consecutively.

#### FINANCING METHODS FOR NON-PROFITS

Two methods of financing contributions are provided for non-profit organizations. They are the Tax Rate Basis and the Reimbursement Basis. These two methods are described below. Before each organization chooses the method they wish to use, the information regarding both should be carefully studied.

- **“Tax Rate” Basis** – This is the method prescribed for all regular business and industrial employers. This method is described in detail in [Chapter 4](#).

Under this system, each organization pays contributions at the rate of 2.7% of its taxable payroll until such time as it earns its own rate as described in [Chapter 4](#) of this handbook. They will be required to file reports, etc., as set out in [Chapter 2](#) of this handbook.

- **“Reimbursement” Basis** – Non-profit organizations subject to the Alabama UC Law and exempt from Federal UC under the provisions of Section 3306 (c)(8) of the Federal Internal Revenue Code MAY elect, if they so desire, to make payments in lieu of the regularly required contributions. These are called “Reimbursement” payments and are made to reimburse the unemployment insurance fund for the benefits paid to former employees of the non-profit organization on a dollar for dollar basis.

This is a choice to be made by the non-profit organization. Those who become liable for coverage, must elect a method of payment within 30 days after meeting the conditions which make them liable.

#### Election and Change of Reimbursement Election

Any such non-profit organization which becomes subject to the Alabama Unemployment Law based on its employment record may elect to become liable for payments in lieu of contributions for a period of not less than six (6) consecutive calendar quarters by filing a written notice of its election not later than 30 days immediately following the date on which the conditions rendering such organization subject were fulfilled.

Any non-profit organization which makes an election in accordance with the above paragraph will continue to be liable for reimbursement payments for the minimum period of time and until it files with the Director a written notice terminating this option. The notice must be filed by December 1, of the year it desires to change options. The change in options will become effective at the end of the calendar year.

Any non-profit organization which has been on a tax rate basis under the Alabama UC Law for at least one calendar year, may change to a reimbursable basis by filing, not later than the 1st day of December preceding the beginning of any calendar year, a written notice of election to become liable for reimbursement. The election shall not be changed by the organization during that and the next calendar year. It may be changed only by following the above procedure.

### **Benefits Pro-Rated: Benefits Paid to a Claimant for Two or More Employers in Base Period**

If benefits paid to a claimant are based on wages paid by two or more employers, the amount of benefits payable by an organization required to or electing to make payments in lieu of contributions shall be an amount which bears the same ratio to the total benefits paid to the individual as the total base period wages paid by such employer to the individual and used for the payment of benefits bears to the total base period wages paid to the individual by all his base period employers and used for payment of benefits.

### **Reports and Payments**

Non-profit employers report wages quarterly on Form **UC10-R**.

Non-profit employers electing to make payments on a reimbursement basis shall, at the end of each calendar quarter, pay an amount equal to the full amount of regular benefits plus one-half of the extended benefits, if any, paid during such quarter which is attributable to service in the employ of such organization.

These payments shall be made within 20 calendar days after the notice of amount due is mailed by the Director.

### **Surety Bond or Cash Deposit**

Any non-profit organization which elects to make payments on a reimbursement basis shall, in addition to making such payments, be required within 30 days after the date the Director mails the notice, Form **CR-4N**, of approval of its election, to execute and file with the Director a surety bond or a cash deposit in lieu thereof, as approved by the Director.

A surety bond must be issued by a bonding company licensed and authorized to do business in this state.

### **Amount of Surety**

The amount of the surety bond or cash deposit shall be an amount determined by the Director, but not more than 5.4% of the organization's wages paid for employment for the four calendar quarters immediately preceding the effective date of the election or the renewal date in case of a bond or the biennial anniversary in the case of a cash deposit, whichever date shall be more recent and applicable. For any organization which did not pay wages throughout each of four such calendar quarters, the amount of bond or deposit shall be determined by the Director.

### **Penalty For Failure to Furnish Surety**

Any non-profit organization failing to furnish surety within the required length of time **will no longer be allowed to pay on a reimbursement basis** and will be required to pay contributions on a tax rate basis for a period of not less than two calendar years thereafter.

### **Group Accounts**

Two or more non-profit employers electing to make payments on a reimbursement basis may file with the Director a joint application to establish a group account for the purpose of sharing the cost of benefits paid to their former employees.

### **Voluntary Election**

The Alabama UC Law prohibits any non-profit organization, which does not qualify as a covered employer, from voluntarily electing to become an employer covered by the law. Services performed for a non-covered non-profit organization are excluded from the definition of employment in the law.

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STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
(334) 242-8075

**NOTICE OF PAYMENT DUE  
UNEMPLOYMENT COMPENSATION TRUST FUND**

EMPLOYER ACCOUNT NUMBER \_\_\_\_\_

Pursuant to the Statement of Benefit Cost attached, you are hereby notified that payment in the amount shown in Item 5 is due the Unemployment Compensation Trust Fund by virtue of your election to make payments in lieu of contributions as provided in Section 25-4-51(6)(b)1 of the Unemployment Compensation Law of Alabama. Section 25-4-51(6)(b)1 of the Law provides such payment must be made within 20 calendar days of the date (Item 2) this notice is mailed. Interest accrues at a rate of % per month on delinquent payments.

Please make check in the amount shown in Item 5 payable to **DEPARTMENT OF INDUSTRIAL RELATIONS** and mail with this notice.

- |                         |   |
|-------------------------|---|
| 1. QUARTER ENDING _____ | 2. DATE MAILED _____  |
| 3. AMOUNT DUE _____     | 4. PRIOR BALANCE DUE _____<br>(Includes unpaid costs, penalties and/or interest.) |
| 5. TOTAL DUE _____      | 6. TOTAL PAID _____   |

**PLEASE DO NOT WRITE BELOW THIS LINE**

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STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
(334) 242-8075

**WAGE REPORT FOR EMPLOYERS MAKING  
PAYMENTS IN LIEU OF CONTRIBUTIONS**

Return Page 1 and Page 2. All items are to be completed by ALL entities of local government (counties and cities and their instrumentalities) and non-profit organizations. THOSE ENTITIES OPERATED BY THE STATE OF ALABAMA DO NOT COMPLETE ITEMS 2 AND 3.

Check here and explain on a separate sheet if any change in name, address, or ownership has occurred during this quarter.

This is to certify that the information in this report is true and correct to the best of my knowledge.

Signature \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Date \_\_\_\_\_

1.	Total wages paid this quarter.		For Quarter Ending	Date Due
2.	Wages in excess of \$8,000 for calendar year paid to individual workers during this quarter.		Employer Account Number Must Be 1 <sup>st</sup> Ten Digits	For State Use Only
3.	Net taxable wages. (Item 1 minus Item 2)		Liability Dates Employer                      Employee	
THIS REPORT IS DUE BY THE END OF THE MONTH FOLLOWING THE END OF EACH CALENDAR QUARTER. A PENALTY OF \$25 IS ASSESSED FOR LATE FILING.			4. Number of workers earning wages during the pay period which includes the 12 <sup>th</sup> of each month. 1 <sup>ST</sup> 2 <sup>ND</sup> 3 <sup>RD</sup> MO. _____ MO. _____ MO. _____	

DO NOT WRITE BELOW THIS LINE

STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
(334) 242-8075

**WAGE REPORT**

ACCOUNT NUMBER
QUARTER ENDING

5. Workers Social Security Number	6. Name of Worker	7. Total Wages Paid Before Deductions
8. TOTAL FOR THIS PAGE (If more space is needed, use continuation sheet)		
9. TOTAL OF ALL PAGES OF THIS REPORT (Must agree with Item 1 of Page 1)		
10. TOTAL NUMBER OF WAGE CONTINUATION SHEETS ATTACHED		Page _____ of _____

Signature \_\_\_\_\_ Telephone \_\_\_\_\_

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## CHAPTER 7

### MISCELLANEOUS

#### NEW-HIRE PROGRAM

The New-Hire Act of 1997, signed into law by the Governor in April 1997, brought the State into compliance with the Federal Welfare Reform Act of 1996.

This act is designed to accomplish the following:

- Curtail overpayment of UC by preventing payment to individuals who have returned to work;
- Stop individuals from receiving workers' compensation while employed; and
- Locate non-custodial parents who are delinquent in legal child support obligations.

Alabama New-Hire has also provided a direct means for identifying workers who refuse jobs while receiving UC. An individual can be denied benefits for failure to accept suitable employment.

All employers are required to report each newly hired or recalled employee to the Department of Industrial Relations beginning October 1, 1997. The information must be furnished within seven days from the date of hire or reemployment. (Employers electing to file magnetically or electronically may transmit twice monthly, not less than twelve (12) days nor more than sixteen (16) days apart, when required.) Multi-state employers who file electronically or magnetically may elect to file all new hires to only one state (call for details). Employers who fail to report newly hired or recalled workers may be fined up to \$25 for each violation.

All reports of hire will require the following data: employee's name, address, and social security number; first day of work; and, whether newly hired or recalled to work. Also required are the employer's Federal Employer Identification Number (FEIN), name, and address. The information may be provided by report-of-hire form, magnetic media, electronic media, W-4, or other hard copy. The Form W4 must be annotated with the date the employee began work. Hard copy notification may be mailed or faxed to the New-Hire Unit. Employers using the report-of-hire card need only furnish employee information, as required employer information will be pre-printed on the form.

The report-of-hire form is a scannable document that can be completed by the employee along with other required forms on the first day of work, and mailed directly to the New-Hire Unit. If this method of reporting is chosen, an initial supply of cards will be provided upon registration with the program. Additional cards may be ordered and are available at no charge and in varying quantities.

You may contact the Alabama Department of Industrial Relations, New-Hire Unit as follows:

**DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
NEW-HIRE UNIT  
649 MONROE STREET, ROOM 2683  
MONTGOMERY, ALABAMA 36131-0378  
PHONE (334) 353-8491  
FACSIMILE (334) 242-8956**

#### **NO UC TAXES PAID BY EMPLOYEE**

Employees often believe UC taxes are withheld from their paycheck and that gives them the right to draw benefits no matter why they leave their job. In fact, no UC taxes – federal or state – are withheld from employees in Alabama. The employer pays all taxes involved.

#### **BENEFITS RECEIVED ARE TAXABLE**

UC Benefits received by former employees are taxable. Each January the department notifies each recipient on Form **1099 G** of the total benefits received the previous calendar year.

#### **CHILD SUPPORT OFFSET**

Under certain conditions, a former employee's UC benefits can be reduced to pay child support obligations.

#### **REQUIRED POSTINGS FOR UC INFORMATION**

Each employer is required to post certain UC information for its employees. This material is provided when you become liable. If you need extra copies or want to make certain you have all of the current material, please contact the Tax Operations Section, your local field tax office, or the local claims office.

#### **QUALITY ASSURANCE**

A random sampling of benefit payments are thoroughly investigated each week. Specialists with the UC Program may contact you to spot check wages paid, the reason for separation, and contacts made looking for work. Accurate payments are important to everyone.

## **OVERPAYMENT CROSS MATCH**

In an attempt to reduce overpayments, wages earned in a particular quarter are cross matched against UC payments made. When a match occurs, documents are sent to the employer for more information on when the wages were earned. If wages were earned in the same week that benefits were paid and they were not reported, an overpayment is established on the claimant. Form **AL IB 8605A** may be received from the department periodically. In some instances, these wages are the basis for the pursuance of prosecution and an accurate breakdown is a must. Participation in the New-Hire Program provides early notification that claimants have rejoined the workforce, thus reducing the need for this procedure.

## **OVERPAYMENT COLLECTION**

Once established, the collection activities on overpayments begin. Direct cash repayments, offsets against benefits due, and collections from state income tax refunds are all successfully used in Alabama. In some cases, fraud penalties are established and prosecutions are pursued. In other cases, judgements may be pursued.

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STATE OF ALABAMA  
DEPARTMENT OF INDUSTRIAL RELATIONS  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131

UNEMPLOYMENT INSURANCE BENEFIT PAYMENT AUDIT

DATE MAILED:

PLEASE RETURN WITHIN SEVEN (7) DAYS TO THE FOLLOWING ADDRESS:

BENEFIT PAYMENT CONTROL SECTION  
INDUSTRIAL RELATIONS BUILDING  
ROOM 4676  
MONTGOMERY AL 36131  
TELEPHONE 334-242-8800  
FACSIMILE 334-242-0967

CIRCLE PAY PERIOD TYPE: WEEKLY, BI-WEEKLY, MONTHLY, OR SEMI-MONTHLY

CIRCLE ONE: FULL TIME EMPLOYEE OR PART-TIME EMPLOYEE

NUMBER OF WEEKS WITH WAGES: \_\_\_\_\_

WBA: \_\_\_\_\_ OC: \_\_\_\_\_ CD: \_\_\_\_\_

WAGES REPORTED BEGINNING:

TO THE EMPLOYER

The purpose of this form is to determine if

SSN \_\_\_\_\_  
earned wages during the 7 consecutive days  
of the benefit week(s) shown in Col 1.

Col. 2, enter your payroll week ending date.

Col. 3, enter total gross wages earned during payroll  
week listed.

Col. 6, circle the actual days worked.

**NOTE: Information furnished on this form will be  
used for benefit payment audit purposes only.**

\*\*\* Please complete items A thru E on reverse side. \*\*\*

1 BENEFITS PAID FOR WEEK ENDING	2 PAYROLL WEEK ENDING DATE	3 TOTAL GROSS AMOUNT EARNED	4 TOTAL HOURS WORKED	5 HOURLY RATE	6 * PLEASE * *** CIRCLE ACTUAL DAYS WORKED ***							
					SUN	MON	TUES	WED	THURS	FRI	SAT	

\*\*\* COMPLETE REVERSE SIDE \*\*\*

A Please enter date employment began \_\_\_\_\_ Ended \_\_\_\_\_  
(Month) (Day) (Year) (Month) (Day) (Year)

B DID THE CLAIMANT WORK WHEN WORK WAS AVAILABLE? YES \_\_\_\_\_ NO \_\_\_\_\_

C IF NO, PLEASE EXPLAIN \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D REASON FOR CLAIMANT SEPARATION (EXPLAIN IN DETAIL PLEASE)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E PLEASE FURNISH EMPLOYEE'S LAST KNOWN ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IMPORTANT: Please record wage information carefully as it may be the basis for legal action against the claimant. I hereby certify that the above information is true and correct, to the best of my knowledge.

PRINT NAME \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_ Tel. No. \_\_\_\_\_ Date \_\_\_\_\_

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## CHAPTER 8

### DISTRICT TAX OFFICES

Each district tax office is staffed by at least one field deputy. They provide local service to employers and often are the best place to start, if you have a UC tax question.

Field deputies primarily work on wage problems resulting from a claim filed, audit employers reports and wages, collect reports and taxes that may be delinquent and set up new employers.

You may reach the nearest field deputy at one of the following locations. They are often out of the office on official business, but will return your call upon their return.

<b>CITY</b>	<b>OFFICE ADDRESS</b>	<b>(AREA)PHONE/FAX</b>
Anniston	703 Leighton Ave.	(256)237-7594/238-4371
Birmingham	3460 3rd Ave. S	(205)254-1250/254-1264
Huntsville	2535 Sparkman Dr.	(256)851-7347/851-7407
Mobile	857 Downtowner Blvd., Suite L	(251)341-1525/341-1487
Montgomery	1060-C East South Blvd.	(334)284-2807/284-9274

Out stationed field deputies are also located in:

Alabaster	109 Plaza Cir.	(205)620-2982/663-5637 (205)620-1353/663-5637
Cullman	1201 Katherine St. NW	(256)739-2766/739-5475
Decatur	1819 Bassett Ave. SE	(256)351-0204/355-0174
Dothan	1950 Reeves St. #1	(334)794-1012/792-2124 (334)794-0233/792-2124
Enterprise	2021 Boll Weevil Cir.	(334)347-2902/393-0958
Foley	200 W. Michigan Ave.	(334)943-6717/943-8867
Gadsden	216 North 5 <sup>th</sup> St.	(256)546-7572/546-8969
Jasper	2604 Viking Dr.	(205)221-5251/221-4595
Opelika	2300 Frederick Rd.	(334)745-7006/745-5783
Selma	1013 Broad St.	(334)875-9286/875-6049
Sheffield	500 S. Montgomery Ave.	(256)389-8195/383-4983 (256)389-9688/383-4983
Tuscaloosa	222 14 <sup>th</sup> St.	(205)758-9079/758-1925

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