

New Hampshire Employment Security



Unemployment Compensation Bureau
Benefits and Tax Units

RSA 282-A

Mission Statement



Pay unemployment compensation benefits in a timely manner to eligible claimants and collect the tax which funds these payments.



How is Unemployment Compensation Funded?

✓ Federal Unemployment Tax Act - FUTA

- Regular employers with a payroll of \$1500 or more in current or preceding calendar year and at least 1 worker on at least 1 day in each of 20 weeks.
- FUTA tax 6.0% with a .2% surcharge = 6.2%
- 90% employer credit if they contribute to state unemployment fund
- Current FUTA tax, with the 90% credit, is 0.8% on the first \$7000 of each employee's wages = \$56 max per employee
- Tax paid directly to IRS which places these revenues in dedicated status in the Federal Unemployment Trust Fund held by the U.S. Department of Treasury.



How is Unemployment Compensation Funded?

✓ State Unemployment Tax Act - SUTA

- SUTA applies to employers as defined in RSA 282-A:8 and follows same guidelines as FUTA re: payroll of \$1500 and at least 1 worker in each of 20 weeks.
- SUTA is paid on the first \$14000 earned by each worker in each calendar year.
- Taxes are placed into N.H.'s Unemployment Compensation Trust Fund.
- Employers must file quarterly Tax & Wage Reports.
 - Wage information about individual employees used to determine potential monetary entitlement to benefits
 - Amount of taxable wages per quarter used for calculation of taxes due



N.H. Tax Rates

- ✓ Merit Rate computation based on taxes paid and benefits charged as of January 31 of each year.
- ✓ Computed rate is effective for the 12 month period beginning the following July.
- ✓ The more benefits paid to an employer's ex-employees or the greater exposure to the risk of unemployment (measured by the amount of taxable wages paid), the greater the tax rate.
- ✓ Factors that determine tax rate:
 - Length of time employer has been subject to the law
 - New Employers assigned a 2.7% tax rate until subject to law for full calendar year
 - Amount of taxes paid timely
 - Amount of benefits charged to the employer's separate account
 - Annual taxable wages



N.H. Tax Rates

√ Maximum

7.0%

√ \$70 per \$1000 of taxable wages

√ \$980 per worker per year

√ Minimum

0.1%

√ \$1 per \$1000 of taxable wages

√ \$14 per worker per year

(includes all potential fund balance reductions)



Use of Taxes Collected

✓ Federal Taxes

- Pay for State and Federal administration of UI and ES programs
- Pay for Federal government's share of extended UI benefits (EB)
- Repay advances to states with depleted trust fund reserves

✓ State Taxes

- Solely for the payment of benefits



Fund Balance Tax Reduction

Positively rated employers may receive a tax reduction, depending on the balance of the fund on September 30. (Lowest SUTA tax rate with reduction is .10%)

Balance	Reduction
\$250 M	0.50%
\$275 M	1.00%
\$300 M	1.50%



Emergency Surcharges

- ✓ Two separate 0.5% surcharges may be added based on the solvency of the Trust Fund.
 - 0.5% at the Commissioner's discretion at any time the solvency of the Fund is in jeopardy
 - 0.5% if the Fund balance is less than \$150 million and the Commissioner determines that the additional 0.5% is necessary to preserve the solvency of the Fund



Payment of Benefits

- ✓ Intent is to try to replace at least 50% of lost earnings up to a maximum amount determined by the State's average weekly wage. (current max WBA \$427)
- ✓ Unemployment Compensation based on Eligibility, not Need
- ✓ Monetary Eligibility
- ✓ Non-monetary Eligibility



Monetary Eligibility

- ✓ Sufficient and Useable Base Period Earnings
 - Wages in employment (RSA 282:A-9)
 - Primary base period - 1st 4 of last 5 completed quarters
 - Alternate base period - last 4 completed quarters
 - Must have earned at least \$2800 and at least \$1400 in at least 2 of the 4 quarters of the base period.
 - If a claim was filed in a previous year, must also have earned at least \$700 since that benefit year beginning.



Non-Monetary Eligibility

- ✓ Totally or partially unemployed through no fault of their own.
- ✓ Filed a proper and timely claim for benefits.
- ✓ Registered for work with the Department, unless specifically exempted.
- ✓ Ready, willing and able to accept and perform suitable work on all shifts and during all hours where there is a market for the services s/he offers.
- ✓ Available for and making reasonable and prudent efforts to find full-time or part-time work for which s/he is qualified.
- ✓ Participate in reemployment services when so directed by the commissioner.
- ✓ Disclosed whether child support is owed or an over-issuance of Food Stamps has been made.

*specific requirements re:permanent or temporary



Reasons Why Benefits May Not Be Paid

- ∨ Fails to meet eligibility requirements.
- ∨ Left work voluntarily without good cause attributable to the employer.*
- ∨ Left self-employment or closed his/her business.
- ∨ Is self-employed.
- ∨ Was discharged for misconduct connected to his/her work.
- ∨ Failed without good cause to accept an offer of suitable work.
- ∨ Is not available for work outside the home.
- ∨ Is unemployed due to a reasonable disciplinary layoff.
- ∨ Is unemployed due to a stoppage of work (strike).
- ∨ Failed to file as directed.

*Exceptions in law for domestic violence, VQ to follow spouse to new job, VQ due to non-work-related illness or injury of self or members of immediate family



Which Employer is Charged?

- ✓ Primarily, the last NH taxable employer with whom the claimant's work record exceeded 12 consecutive weeks.
- ✓ Charging decisions can be affected by:
 - Out of State work
 - Reimbursable Employers
 - Specific situations such as domestic abuse or approved training where benefits are charged to the fund



Notice of Claim Filed

- ▼ Employers that are the last employing unit or will/may be charged for benefits are notified when a claim is filed. There is a 7-day deadline to respond to this notice.

- ▼ Employers may choose the method of notification.
 - US Mail is the default method
 - Email notification
 - SIDES (State Information Data Exchange System)

- ▼ Employers may choose the method of response.
 - NHUIS Website
 - Fax
 - US Mail
 - SIDES (if notified by SIDES, able to respond by SIDES)



Employer Input

- ✓ Request for Information (Fact-finding Form)
 - Specific questions to be answered regarding eligibility, usually separation or deductible income details. This document also has a 7 day deadline and may be responded to via NHUIS website, fax or US mail.

- ✓ Request for Additional Information
 - Adjudicators may contact claimant or employer for additional information in order to make a proper decision of eligibility. A 48-hour deadline is given to return calls or a decision is written on available information.



Partial Benefits

- ▼ If a claimant is working part time, the weekly benefit amount is raised by 30% and the gross earnings subtracted from this higher amount.
- ▼ Workshare – special layoff aversion program whereby an employer may reduce the work hours of a specific group of workers and those workers can collect unemployment benefits at the same percentage.
(10% reduction in work hours = 10% of WBA)



Protect Your Tax Rate!

- ✓ Respond promptly to requests for information
 - ✓ Provide as much detail as possible
 - ✓ Report deductible income and/or earnings by calendar week
 - ✓ Report potential fraud
 - 1-800-852-3400 ext 24016
 - www.nhes.nh.gov
- How Do I report unemployment fraud?



Benefit Extensions

- ▼ EUC – Emergency Unemployment Compensation
 - Temporary Federal program during Great Recession
 - Enacted in 2008
 - Expired 12/31/2013
 - Current Senate Bill
 - Extend to 5/31/2014
 - Retroactive to 1/1/2014

- ▼ EB – Extended Benefits
 - State/Federal Program
 - Triggered based on unemployment rate (6.5%)
 - 13 weeks of additional benefits

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