

# DEPARTMENT OF EMPLOYMENT SERVICES: UNEMPLOYMENT INSURANCE HANDBOOK FOR EMPLOYERS



*Revised - January 2022*

*Employer  
Guide to  
Unemployment  
Taxes and  
Compensation*

## ***INTRODUCTION***

The Unemployment Insurance Handbook for Employers is designed to provide employers with an overview of the District of Columbia's Unemployment Insurance (UI) Program and information on their rights and responsibilities. The UI Program is administered by the Department of Employment Services (DOES) and is financed through taxes paid by employers doing business in the District of Columbia. Statements contained herein are for informational purposes only and do not have the effect of law or regulation.

This guide is a reference for obtaining information about tax liability, payments, unemployment benefits, and charges to an employer's UI account.

### ***Release of Information***

Information obtained by the DOES Office of Unemployment Compensation from any employing unit is strictly confidential and is not published or open for public inspection. Information in the possession of the District of Columbia, which may affect a change in an employer's account, is made available to the affected employer and the employer's designated legal and/or third-party representatives. Please note that wage information and other confidential unemployment compensation information may be requested and used for other governmental purposes, including determination or verification of an individual's eligibility for other government programs. This notice is required by 20 C.F.R. § 603.11 (b).

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## *Office of Unemployment Compensation: Mission & Vision*

### ***Our Mission:***

- **Connect District residents, job seekers and employers** to opportunities and resources that empower fair, safe, and effective working communities.
- **Administer UI benefits** and assist individuals to return to suitable work quickly.
- **Manage strategically** to ensure high performance, greater public accountability, quality customer service and customer satisfaction.
- **Be trusted business partners, and a people and customer driven team**, that both delivers results and empowers all team members.
- **Help DOES foster economic impact.**
- **Continuously strive for operational excellence** to safeguard the District's UI Trust Fund and enable long term growth and sustainability for the District's Unemployment Compensation Program.
- **Empower our community**, by continually supporting the District's employer base and providing the "funding" that provides short term economic relief to eligible workers.

### ***Our Values:***

- **We think nationally but act locally**, as DOES ambassadors and team members living our values and building our brand nationally, in our ability to maintain a solvent trust fund
- **We encourage innovation**, independent thinking and challenge the status quo to improve continually
- **We support open, honest communication**, and are dedicated, flexible and measured in our work approach
- **We are proactive and strategic**, carefully identifying potential risks and mitigating actions

### ***Our Aspirations:***

- Be recognized as a **center of excellence**, delivering world class service.
- Cultivate a **sustainable Tax and Benefits program** that will continue to deliver impactful outcomes.
- Enhance the **Agency's brand** as a reputable organization to work for and engage in business with.

## *Top 5 Ways*

### *An Employer Can Help Reduce Unemployment Insurance Fraud Help Us Help You Control Your Unemployment Insurance Costs*

#### **1. Report the reason a former employee has been separated in a timely and accurate manner.**

Employer's must provide the Office of Unemployment Compensation the reason a former employee has been separated within 7 calendar days after the request is sent. The Benefits Division will send you a request for separation when a claim for unemployment benefits has been filed. State Information Data Exchange System (SIDES) and paper notices are available.

#### **2. Report all new hires and rehires to the District of Columbia Directory of New Hires at: [www.dc-newhire.com](http://www.dc-newhire.com)**

The timely reporting of all new hires and rehires helps prevent payment of ineligible Unemployment claims after an individual has returned to work. Federal and District law requires employers to report new hires within 20 days of the hire date.

#### **3. Attend appeal hearings**

As an employer, if you or a claimant appeal an unemployment determination concerning the awarding or denial of benefits you MUST participate in the appeal hearing. Failure to appear at the hearing, in most cases, will result in an award of benefits. Your participation is critical to the proper determination of claimant eligibility for benefits.

#### **4. File your quarterly Wage and Contribution reports and remit contributions timely.**

Failure to file your wage reports and UI contributions will result in the assessment of penalty and interest and may subsequently increase your federal tax liability (FUTA). The proper payment of taxes to the UI Trust Fund strengthen the solvency of the Fund to support unemployed workers. The prompt and accurate reporting of wage information helps us in the proper determination of claimant eligibility for benefits. Since October 1, 2014 employers now can file their wage and contribution reports and remit payments of contributions via the Employer Self Service Portal (ESSP): [www.essp.does.dc.gov](http://www.essp.does.dc.gov).

#### **5. Register for E-SIDES.**

As a District employer you are required as of October 1, 2016, to communicate wage and separation information via the State Information Data Exchange System (SIDES), a secured information portal developed by the U.S. Department of Labor. SIDES supports the administration of the Unemployment Program in a fast and efficient manner. Please register and take advantage of this communication vehicle, SIDES E-response. More information can be found at <https://does.dc.gov/page/sides-e-response>.

## ***Important TIPS***

### ***UNEMPLOYMENT INSURANCE (UI)***

Unemployment Insurance is for workers who have lost their jobs through no fault of their own. Unemployment insurance is precisely that, insurance, and it belongs to the claimant who meets the terms and conditions of the District of Columbia Unemployment Insurance Law.

The UI program is administered and financed by the Federal Unemployment Tax Act (FUTA) and must adhere to broad Federal guidelines. Administrative funds are distributed to States based on each state’s claim volume. The District’s UI program is administered by the Department of Employment Service with delegated authority from the Mayor to set the direction of the program. Funds collected from employer contributions are deposited to the District’s UI Trust Fund which is maintained by the U.S. Department of Treasury. These funds are not a part of the District’ General Purpose funds or any fund administered by the District Government. The sole purpose of the UI Trust Fund is to pay benefits to the unemployed.

### ***EMPLOYEE RIGHTS***

It is unlawful for an employer to require an employee to release, repay, pay into, or waive any right to unemployment insurance, for any reason. An employer may be prosecuted for doing so.

### ***PROGRAM PURPOSE***

As mentioned above, the purpose of the Unemployment Insurance Program is to pay benefits to the worker seeking employment who is unemployed through no fault of their own and to help the worker find suitable employment. Workers who find jobs after receiving benefits generally do so through visiting one of our American Job Centers (AJC), partnering with one of our workforce specialists, or their own job search means.

### ***IMPORTANT TIPS FOR EMPLOYERS***

- File quarterly unemployment wage and contribution reports and pay the appropriate taxes due by the quarterly due dates listed below. These reports and contributions can be satisfied via the ESSP at [www.essp.does.dc.gov](http://www.essp.does.dc.gov).

<b>Quarter Ending Date</b>	<b>Report Due Date</b>
March 31 <sup>st</sup>	April 30 <sup>th</sup>
June 30 <sup>th</sup>	July 31 <sup>st</sup>
September 30 <sup>th</sup>	October 31 <sup>st</sup>
December 31 <sup>st</sup>	January 31 <sup>st</sup>

- **Note:** Reports are due on the due date regardless if it falls on a non-business day
- Respond to requests for separation information you receive for any former employees who become separated from the business and file claims for unemployment benefits.
- When requested, be available to provide information on eligibility issues resulting from claims filed by former employees.
- Review the notice of potential charges, statement of benefits paid to former employees and charges to your Unemployment employer account. If benefits are charged, a statement will be mailed at the end of the calendar quarter to the employer benefits mailing address on file. These charges will affect your tax rate and the amount of taxes you will be liable to pay.



## ***CRITICAL PROCEDURES***

The District of Columbia has a Displaced Worker Law that applies to contractors and subcontractors who employ at least 25 nonprofessional employees as food service, health service, security, janitorial, or building maintenance workers.

If a new contractor takes over the service contract, the previous contractor must provide the names of all employees within ten days after the new contract is awarded. The new contractor must retain all employees who have worked for the previous contractor over the past eight months. These employees must be kept on for a 90-day transition period. If the new contractor does not need all the previous contractor's covered employees, it must make retention decisions based on seniority within job classifications. Other than this exception, the new contractor may not terminate any of the employees without cause during the transition period. In addition, a contractor whose contract is not renewed but who is awarded a similar contract within 30 days must hire at least half of the employees from the former site.

The federal government has a law enacted that requires notification of mass layoffs of employees. The U.S. Department of Labor, Worker Adjustment and Retraining Notification (WARN) Act, at 20 CFR Part 639, protects employees by requiring employers with 100 or more employees to provide 60 calendar-day advance notice of plant closings and mass layoffs of employees. The WARN Act requires that such notice also be given to the local state employment agency.

## ***SUTA DUMPING***

SUTA is an acronym for State Unemployment Act and "Dumping" refers to the unlawful actions of an employer to pay UI taxes at a lower UI rate than that which should be assigned to the employer. Instead of paying UI taxes at the rate bases in its own experience with layoffs and payrolls, an employer attempts to avoid a higher rate by dumping its experience. Most frequently, it involves merger, acquisition or restructuring schemes, especially those involving the shifting of workforce/payroll from one business entity to another. The Office of Unemployment Compensation has invested money and resources in detection software of employee movement to identify potential SUTA Dumping offending employers, and the District has passed legislation to penalize an employer who knowingly withholds or provides false information regarding the transfer of workforce/payroll from one business entity to another. Penalties range from higher UI tax rates, monetary fines and even imprisonment. The best method to avoid getting targeted and identified as a SUTA Dumping offender is to voluntarily inform the Office of Unemployment Compensation-UI Tax Division when workforce/payroll has been shifted from business entity to another or when another employer account has been opened in the District for unemployment purposes; please be readily available to provide requested information to the Tax Division.

## ***BANKRUPTCY***

If the business is in bankruptcy, employers should notify the Office of Unemployment Compensation- UI Tax Division in writing, preferably before the bankruptcy proceedings has begun. The notification should be mailed to the Tax Division 4058 Minnesota Ave NE Ste 4000 Washington, DC 20019. The information concerning the bankruptcy should include: (1) date of the bankruptcy filing; (2) State of bankruptcy filing; (3) chapter number and case number, if known and (4) attorney's name and telephone number, if represented by an attorney. If the business is closed, provide the date that the business ceased operations.

## ***MONETARY REDETERMINATIONS***

There may be instances as an employer you will receive communication from the Tax Division concerning wages that are not found in the Tax Division's records for a claimant. These instances occur when a claimant for unemployment benefits lists your entity as an employer of record but there aren't any wages that are found in the OUC system of record. When you receive these requests for information it is critical that this request is completed within 24 hours of the initial contact for information. The need for an immediate response impacts the timeliness of benefits being paid to eligible claimants and aids in the reduction of opportunities that an ineligible claimant can receive improper benefits.

# ***OVERVIEW OF THE DISTRICT OF COLUMBIA'S UNEMPLOYMENT INSURANCE PROGRAM***

The Unemployment Insurance (UI) program is a state-federal partnership and is operated by the Department of Employment Services (DOES) in accordance with provisions of Title 51 of the District of Columbia Code. Two divisions within DOES have primary responsibility for administering the UI program – the Office of Unemployment Compensation, UI Benefits Division, which includes American Job Center (AJC) operations, and the UI Tax Division. Contact information for key offices within the two units can be found on page 32.

UI provides temporary benefits to workers who become unemployed through no fault of their own and are able to work, available for work, and actively seeking work. These benefits reduce the hardship of unemployment, help sustain purchasing power, stabilize the work force and support the economy. The UI program took effect with the passage of the federal Social Security Act in 1935.

UI benefits are financed by a payroll tax collected by DOES from employers operating businesses in the District of Columbia. These taxes are deposited into a trust fund maintained by the U.S. Treasury Department. The deposits and accrued interest in the trust fund can be used only for the payment of UI benefits.

Employers, excluding non-profit employers, also pay a federal payroll tax to the Internal Revenue Service pursuant to the Federal Unemployment Tax Act (FUTA) which was enacted in 1939. Money raised from this FUTA tax is used for federal unemployment insurance purposes, including federal grants to pay the cost of administering UI and job service programs. FUTA funds may also be used to provide federal extended UI benefits.

## ***THE UI TAX PROGRAM***

### **RESPONSIBILITIES OF THE EMPLOYER**

#### ***Registration***

Employers who pay wages to one or more employees for performing services in the District of Columbia are required by law to register with DOES. It does not matter whether the services are performed on a full-time, part-time, or temporary basis.

Effective October 1, 2014, DOES unemployment tax registrations are processed via our Employer Self-Service Portal (ESSP) which requires registration information from businesses. Therefore, any business that has employees working in the District of Columbia is required to register online at: <https://essp.does.dc.gov>. Household employers with five or less employees who do not have access to a computer may contact the UI Tax Division to request a paper FR-500 form for registration. Upon successful registration, employers are assigned a six digit UI Tax account number; this account number must be included in all correspondence with DOES.

For questions regarding the ESSP online registration, please contact the UI Tax Division at [uitax.info@dc.gov](mailto:uitax.info@dc.gov).

#### ***Reporting***

Please refer to the Reporting Requirements section at pages 14-15 below for a full description of your reporting responsibilities.

#### ***Prompt Payment of Taxes Due***

When billed by DOES for their taxes due, you are responsible for prompt payment in full by the due date listed.

***Penalty & Interest***

Reports and/or taxes submitted after the due dates and rejected forms are subject to interest and penalty. The interest rate is 1.5 percent of the tax due per month, or fraction thereof, until paid. The penalty is 10 percent of the tax due, or \$100, whichever is higher.

***Penalty Assessment and Delinquency Schedule for Quarterly Filers***

UC 30 Quarterly Report	Report Due	Penalty Assessment	Delinquency Notice Sen
March 31 (1st Quarter)	April 30	May 10	May 31
June 30 (2nd Quarter)	July 31	August 10	August 31
September 30 (3rd Quarter)	October 31	November 10	November 30
December 31 (4th Quarter)	January 31	February 10	February 28

***Penalty Assessment and Delinquency Schedule for Annual Filers***

UC 30 Annual Report	Report Due	Penalty Assessment	Delinquency Notice Sen
Quarterly wages are line-itemed and reported on one form	15-Apr	April 25	May 15

***Maintaining Records***

Employers must maintain accurate and up-to-date records on all employees for UI verification. These records must include:

- The name and Social Security number of each employee;
- The beginning and ending dates of each pay period;
- The wages paid for each pay period, including the cash value of other remuneration, gratuities, and tips and expenses incurred by each employee for which a deduction from wages is claimed;
- Method of payment;
- Earnings of employees, by the day when earned;
- The number of employees who worked during or received pay for the payroll period that includes the 12<sup>th</sup> of each month;
- The dates on which wages were paid;
- The date each employee was hired, rehired or returned to work after a temporary layoff; and
- The date and reason for separation.

These records must be available for inspection by authorized representatives of the DOES Tax Division, Benefits Division, and Office of Compliance and Independent Monitoring for reviews, audits, or investigations.

**LIABILITY**

***Covered Employment***

Covered employment includes wages paid in exchange for services rendered related to the continuing operation of the employer. It does not include wages paid to individuals that are considered self-employed, such as sole proprietors, a single member of an LLC that is taxed as a sole proprietor, partners, etc. Questions about covered employment and liability to the District of Columbia should be directed to the Status Unit at (202) 698-7550, or via email at [uitax.info@does.dc.gov](mailto:uitax.info@does.dc.gov).

### ***Payment of Wages for Work Performed in the District of Columbia***

Most employers become liable to pay UI taxes the first day that wages are paid to one or more individuals for performing services in the District of Columbia.

However, household employers, distinguished as a separate employer group, become liable to pay UI taxes for personal and domestic services performed in the private home of the household employer, once the household employer has paid at least \$500 in aggregate wages in any calendar quarter for such services. Once liable, household employers remain liable for the duration of the period they maintain household employees, without regard to the amount of wages paid. Persons considered household employees include chauffeurs, cooks, gardeners, nurses, maids, and baby-sitters who are at least 18 years of age.

### ***Exempt Employment***

Certain types of employment are exempt from coverage by the District of Columbia Unemployment Compensation Act. Exempt employment includes:

- Service performed by an individual under 18 years of age as a babysitter;
- Casual labor not performed as an aspect of an employer's trade or business;
- Service by an individual employed by a son, daughter or spouse, or service by a child under 21 years of age employed by a parent;
- Service as an insurance agent, if entirely on commission;
- Service performed in the employ of a church, religious convention, association of churches, or any organization that is operated primarily for religious purposes;
- Service performed as part of an unemployment work-relief or work-training program assisted or financed by any federal or state agency or political subdivision, or by an individual receiving such work relief or training;
- Service performed in the employ of a foreign government;
- Service performed in the employ of a public international organization, such as the World Bank;
- Service performed in a facility for rehabilitation by a person receiving rehabilitation;
- Service performed by an inmate of a penal institution;
- Service performed for a railroad which is covered under provisions of the Railroad Unemployment Insurance Act;
- Service performed by a student at their school, college, or university;
- Service performed in the employ of a hospital as a student nurse or intern; or
- Service performed by an individual under the age of 18 years in the delivery or distribution of newspapers.

### ***Independent Contractors***

An independent contractor, working as an individual, is not covered by the law. Considerations in determining who is an employee and who is an independent contractor include:

- The right to supervise, including the right to direct how intermediate work should be done;
- The method of compensation; or
- Whether the individual is engaged in an independent trade, occupation, profession, or business.

DOES has the authority to determine employer/employee relationships and the classification of the worker's status as it relates to the designation of independent contractor. DOES' classification is independent from any other regulatory authority, such as the Internal Revenue Service (IRS), worker's compensation authorities, or wage and hour authorities.

The laws concerning independent contractors are complex. By law, a worker cannot waive, release or commute their rights to unemployment benefits. As such, DOES may determine a worker to be an employee even if he (she) has willingly entered in a contract to work as an independent contractor. For additional information regarding independent contractors, contact the Tax Division at (202) 698-7550.

### ***Voluntary Election of Coverage***

An employer not otherwise subject to the Unemployment Compensation Act may elect to become a covered employer. Such election must be requested in writing and approved by the Office of Unemployment Compensation. It covers an initial minimum period of two calendar years. Continuing coverage is automatic yearly thereafter unless action is taken by the employer or the Office of Unemployment Compensation—Tax Division to cancel the agreement.

Employers who elect to be covered are subject to all provisions of the Unemployment Compensation Act.

### ***Date of Liability***

An employer becomes liable the first day that wages are paid for services provided in the District of Columbia. Household employers become liable as of the beginning of the first quarter in which they pay at least \$500 in aggregate wages.

### ***Termination***

An employer who no longer has employees and does not expect to hire may terminate liability by contacting the Office of Unemployment Compensation—UI Tax Division. To terminate liability, send a written request to [uitax.info@dc.gov](mailto:uitax.info@dc.gov) to terminate your account and provide the last date you paid wages in the District. You may also fax a letter to 202-698-5706.

## **REPORTING REQUIREMENTS**

### ***Filing Contribution and Wage Reports and Paying Taxes***

DOES requires all employers with five or more employees to file Contribution and Wage Reports via ESSP at <https://essp.does.dc.gov>. For employers with 250 or more employees, this requirement is mandated by D.C. law. Employers with fewer than five employees may submit the quarterly contribution and wage report by paper using Form UC30, Employer’s Quarterly Contribution and Wage Report. Household employers with less than five employees, and who elected to file annually, may submit Form UC30-H, Employer’s Annual Contribution and Wage Report. Full instructions for completing the quarterly and annual contribution and wage reports are included with the forms.

The due dates for filing quarterly filers are as follows:

### ***Filing Schedule for UC-30***

<b>Quarter</b>	<b>Months</b>	<b>Report Due Date</b>
First	January, February, March	April 30
Second	April, May, June	July 31
Third	July, August, September	October, 31
Fourth	October, November, December	January 31

Household employers may elect to file annually during registration. Household employers who did not elect to file annually at registration may submit a request to change their filing schedule before the beginning of a new reporting year. The request must be in writing to the attention of Status, and may be submitted by mail, email or fax. The due date for the annual Form UC30-H is April 15, in the year following the close of the reporting year.

***The due date for Form UC-30H***

Quarter	Months	Report Due Date
Quarterly wages are line-itemed and reported on one form	January – December	April 15

DOES no longer mails Form UC-30 or Form UC-30H to employers. Employers with five or more employees are required to submit reports online via ESSP. However, UC-30 and UC-30H forms are available upon request. Employers who need a form may call (202) 698-7550 to request that one be mailed to them. These Forms are pre-printed with the employer name, address, account number, quarters or year to be reported, due date, and the tax rate to be used when computing the tax due. Failure to receive a quarterly or annual Form does not relieve the employer of the responsibility for filing.

Employers who submit forms UC30 or UC30H are required to list the name, Social Security number, gross wages paid and the number of hours worked for each employee on the Form. Forms with incomplete, inaccurate or missing information will be rejected. Rejected Forms will be subject to penalty and interest charges, if not corrected and submitted by the due date (see “Making Corrections” below for more details).

**Wages must be reported on a when-paid basis and not when earned.** As an example, an employee works the calendar week of Sunday, March 20 through Saturday, March 26 and earns \$600 in gross wages. The employee is paid the following week, on Friday, April 1. Therefore, the \$600 wages should be reported on the Form for the quarter ending June 30 because **it was paid during the April-June quarter**. It should not be reported for the quarter ending March 31, even though it was earned during that quarter. These instructions apply to all employers, since the annual report requires a breakdown of wages by quarter.

If filing by form, remittance of the full amount of UI taxes due should accompany all forms. Checks and money orders should be made payable to either the “Department of Employment Services” or “DOES.” Please list the 6-digit UI Employer Account Number on the check or money order and mail the completed form and accompanying payment to the address printed at the top of the form (if a tax payment is due) in the return envelope provided in the Form packet. If filing online via ESSP, payments may be remitted by ACH Debit or by check with a preprinted payment voucher.

***Magnetic Reporting***

Magnetic media is no longer accepted. All electronic wage files are to be uploaded through ESSP by using one of four ESSP file format specifications. The ESSP Wage File Format Specifications document is available under the “Help and Support” option in ESSP.

***Making Corrections***

If you find that you have submitted an incorrect Form, you may amend the report on ESSP, or you may submit the corrected information in writing along with any documentation to support the reason for the amendment using the Statement to Correct Contribution and Wage Report, Form 226. Include the UI Employer Account Number and submit to:

***Department of Employment Services***  
*Office of Unemployment Compensation—Tax Division*  
*4058 Minnesota Avenue, N.E., 4th Floor*  
*Washington, D.C. 20019*

To request a Form 226, please call (202) 698-7550.

***Interest and Penalty***

Reports and/or taxes submitted after the due dates and rejected Forms are subject to interest and penalty. The interest rate is 1.5 percent of the tax due per month, or fraction thereof, until paid. The penalty is 10 percent of the tax due, or \$100, whichever is higher.

The Quarterly filer follows the following schedule: For March 31 reports, the final report is due on April 30. If the report is not received on the due date, a penalty is assessed on May 10, and a delinquency notice is sent on May 31. For June 30 reports, the final report is due on July 31. If the report is not received by the due date, a penalty is assessed on August 10, and a delinquency notice is sent on August 31. For September 30 reports, the final report is due on October 31. If the report is not received by the due date, a penalty is assessed on November 10, and a delinquency notice is sent on November 30. For December 30 reports, the final report is due by January 31. If the report is not received by the due date, a penalty is assessed on February 10, and a delinquency notice is sent on February 28.

***Penalty Assessment and Delinquency Schedule for Quarterly Filer***

UC30 Quarterly Report	Report Due	Penalty Assessment	Delinquency Notice Sent
March 31 (1 <sup>st</sup> Quarter)	April 30	May 10	May 31
June 30 (2 <sup>nd</sup> Quarter)	July 31	August 10	August 31
September 30 (3 <sup>rd</sup> Quarter)	October 31	November 10	November 30
December 30 (4 <sup>th</sup> Quarter)	January 31	February 10	February 28

***Penalty and Delinquency Schedule for Annual Filer***

UC30H Annual Report	Report Due	Penalty Assessment	Delinquency Notice Sent
Calendar Year	4/15	4/25	5/15

***Wage Information***

Employers must report all gross wages paid to employees for personal services rendered. This includes commissions, bonuses, tips, gratuities, back pay awards, vacation pay, severance pay, cafeteria plan deductions, deferred compensation, and sick pay, unless paid under a third-party plan or system.

Employers must also report as wages all remuneration using a method of payment other than cash. Examples of non-cash remuneration are meals and lodging.

The following payments are not considered wages:

- Discounts on purchases;
- "Meal money" when working late;
- Employer share of contributions to a fund under a plan or system for retirement benefits, or health and life insurance benefits;
- Sick pay under a third-party plan or system; or
- Travel expenses incurred and paid.

The service of Corporate Officers is covered. This includes officers of Subchapter S Corporations and members of Limited Liability Companies (LLC's) that have elected to be treated as corporations for federal tax purposes.

## ***Reporting Changes***

When any change in your business occurs, **it is your responsibility to notify the Tax Division promptly**. You may use the [uitax.info@dc.gov](mailto:uitax.info@dc.gov) email to communicate these important changes to the OUC-UI Tax Division:

- Change in the name of the legal entity;
- Change of designated legal or third-party representative;
- Change of address, phone number or e-mail address;
- Acquisition of another business, partial or total;
- Change of ownership or business reorganization (e.g. change from sole proprietorship to partnership), merger or consolidation, and/or closing of business.

Household employers who do not use ESSP Portal may use the Form UC-30 to report account status changes.

## ***Reporting Employees Who Do Not Work Exclusively in the District of Columbia***

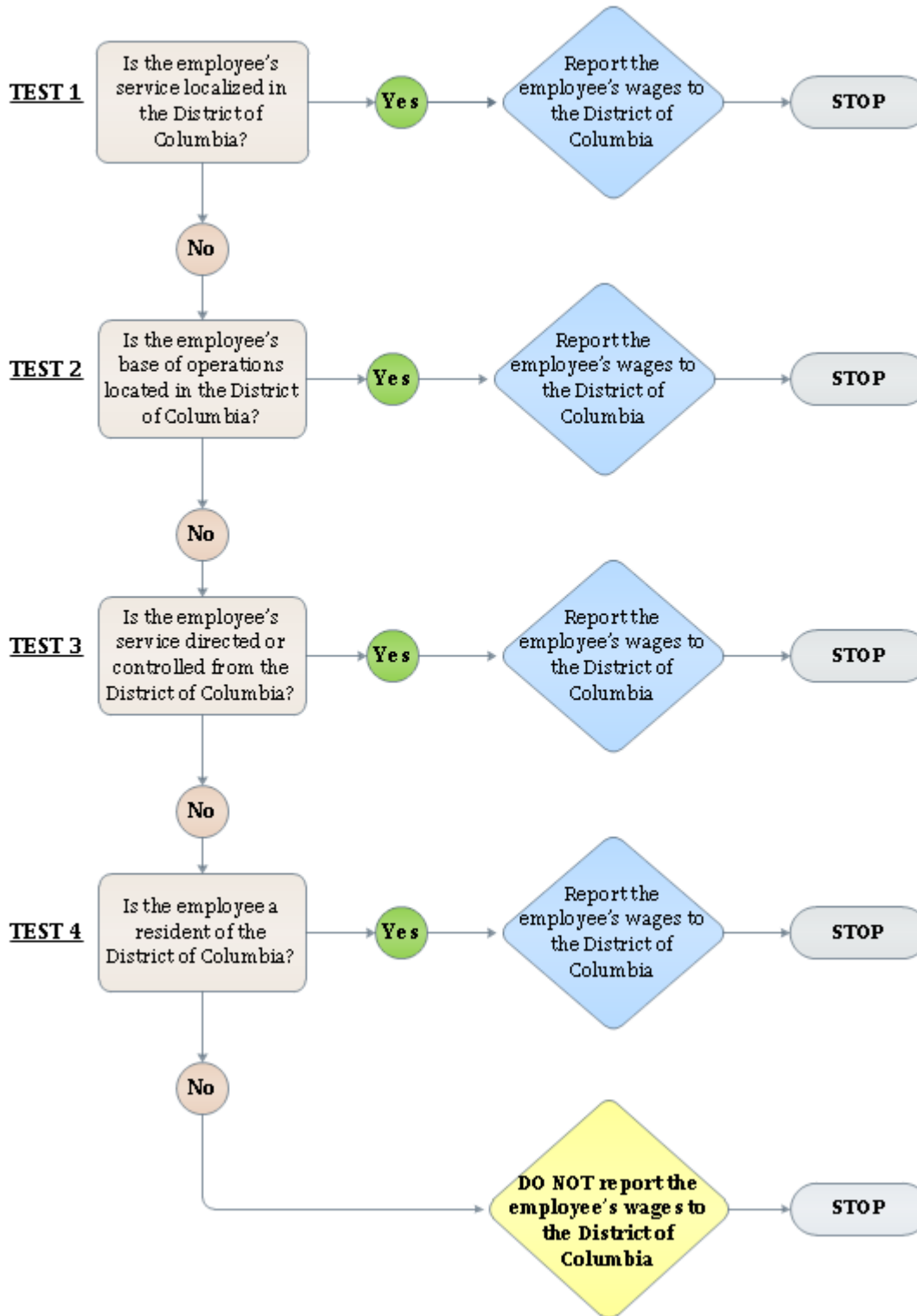
Ordinarily, an employee is reported to the state in which the work is performed. However, it can be difficult to determine where an employee's wages should be reported when an employee performs services in the District of Columbia and some other state(s). If you have employees who perform services both in the District of Columbia and in one or more other states, the application of the following guidelines will determine whether you should report such employees to the District of Columbia:

- 1. Is the employee's service localized in the District of Columbia?** Localization occurs when the service performed outside of the District of Columbia is incidental in nature. Service is considered incidental if it is temporary or transitory in nature or consists of isolated transactions. Note: If it is determined that an employee's service is not localized in the District of Columbia, you must consider whether the employee's service is localized in any other state in which they worked or not.
- 2. If the employee's service is not localized in the District of Columbia or another state, is the employer's base of operations located in the District of Columbia?** The base of operation is a fixed center of a permanent nature, from where the employee starts work, and to where the employee customarily returns to receive instructions from the employer or communications from customers or other persons, or to replenish stock and materials, to repair equipment or to perform any other functions necessary to their trade or profession. Note: If it is determined that an employer's base of operations is not located in the District of Columbia, you must consider whether the employer's base of operations is in another state in which they worked or not.
- 3. If the employee's service is not localized in the District of Columbia and the employer's base of operations is not located in the District or another state, is the employee's service directed or controlled from the District of Columbia?** The place where an individual's services are directed and controlled is the place where basic authority resides and where general control originates, rather than the place where a manager or foreman may directly supervise the services. (Note: If it is determined that an employee's service is not directed or controlled from the District of Columbia, you must consider whether the employee's service is directed or controlled from another state in which they worked or not.)
- 4. If none of the above is applicable, is the employee a resident of the District of Columbia?** (Note: If it is determined that an employee is not a resident of the District of Columbia, you must consider whether the employee is a resident of another state in which they worked or not.)

Use the standards above, in order of priority, to determine whether to report the employee's wages to the District of Columbia.



## Reporting Employees Who Do Not Work Exclusively in the District of Columbia



### ***Reporting Individuals Working Overseas***

Citizens working abroad for an American employer should be reported to the District of Columbia if the employer's principal place of business in the United States is in the District of Columbia. In cases where there is no place of business in the United States, citizens working abroad should be reported to the District of Columbia if the employer is a corporation organized under the laws of the District of Columbia or if the employee is a resident of the District of Columbia.

## **UNEMPLOYMENT INSURANCE TAX RATES**

### ***Rate for Newly Liable Employers***

Employers who are newly liable for unemployment insurance taxes are assigned a standard tax rate equal to the average rate of contributions paid by all employers the preceding year, or 2.7 percent, whichever is higher. Accounts will be rated on their unique experience on or after they have completed 36 months of liability as of the rate computation date (June 30).

### ***Rate for All Other Employers***

Employers other than those who are newly liable are taxed based on their experience rate. The experience rate is designed to ensure that each employer contributes a fair share to the UI Trust Fund. Generally, higher rates are assigned to employers with high employee turnover because their unemployment experience results in greater Trust Fund outlays.

Several factors determine the actual experience rate. These include:

- The amount of UI benefits paid to former employees and charged to an employer's account;
- The amount of UI taxes paid; and
- The average size of an employer's annual taxable payroll for the three preceding years.

An employer's tax rate is also determined by the status of the Trust Fund. During each calendar year, one of six tax tables is in effect, depending on the balance in the Trust Fund as of the prior September 30th. The six tax tables can be viewed in D.C. Code § 51-103, Section 8(A) at: <https://code.dccouncil.us/dc/council/code/sections/51-103.html>.

### ***Notification of Tax Rate***

Tax Rate Notices (Form UC-632 or UC-632A) are mailed to employers in December or January. The tax rate will be conclusive and binding unless a written application for review and re-determination is filed with DOES within 30 days from the date of the annual tax rate notice. Requests for review and re-determination must specify the basis for disputing the annual tax rate. **Reduction of a tax rate cannot be granted for purely economic reasons.**

### ***Taxable Wage Base***

District of Columbia UI taxes are payable, at the assigned rate, on the first \$9,000 paid to each covered employee during the calendar year.

### ***Administrative Assessment***

The District of Columbia enacted legislation that requires employers to pay an administrative assessment of two-tenths of one percent (0.2%) on taxable wages reported each quarter. This administrative assessment supports the administration of the District of Columbia UI program.

This administrative assessment is payable by both rated (tax-paying) and reimbursable employers on the first \$9,000 of wages paid to each employee during a calendar year. The assessment amounts to a maximum payment of \$18 for each employee.

For rated employers, this administrative assessment is in addition to their regular UI tax. It is due by the same date as the regular UI tax and may be included as a single payment. Currently, reimbursable employers are billed each quarter for the administrative assessment after the quarterly report is processed and the taxable wages are computed.

Rated employers should note the following important point: **Only the amount paid in regular UI taxes may be reported to the IRS on Form 940.**

### ***Federal Unemployment Taxes***

Employers, excluding non-profit employers, also pay annually a federal unemployment insurance tax (FUTA) to the Internal Revenue Service (IRS). Money raised from FUTA is used for federal unemployment insurance purposes, including federal grants to pay the cost of administering UI and job service programs. FUTA may also be used to provide federal extended UI benefits. Employers subject to District of Columbia unemployment taxes may receive up to 5.4% credit against their FUTA. Annual filers must have their annual Contribution and Wage Reports submitted to DOES - postmarked by April 15 to be considered timely. DOES certifies annually to the IRS a record of timely District of Columbia unemployment insurance payments by employers. This certification is used by the IRS to determine your eligibility to receive credit toward your FUTA obligation. Employers may request, in writing, an abstract of the payments made to the District of Columbia.

**NOTE:** Non-profit organizations that qualify under Section 501(c)(3) of the Internal Revenue Code are exempt from this federal tax.

### ***Reimbursement Payment Option***

Non-profit organizations with 501(c)(3) classifications have the option of either paying quarterly taxes or reimbursing the UI Trust Fund quarterly, in full for UI benefits paid to former employees; a form of self-insurance

By default, non-profit organizations are rated employers. If a non-profit organization wants to exercise the option of being a reimbursable employer, a written request to become a reimbursable employer must be made at the time liability is established with DOES. Once a non-profit employer elects to become a reimbursable employer, this option must remain in effect for a minimum of two calendar years. After this two-year period, a written request may be submitted to change to a rated employer. Some factors to consider in deciding whether to become a reimbursable employer are:

- Turnover rate: generally, reimbursement is more advantageous to employers with stable employment;
- Estimation of cost: rated employers have known costs based on their tax rate, payroll, and taxable wage base, while reimbursable employers could have varying costs, depending on the number of former employees receiving benefits.

Reimbursable employers submit quarterly payroll reports. Every quarter, the reimbursable employer is sent a billing notice that lists the UI benefits charged to the account. This bill is payable within 30 days of the date of the notice. Interest and penalties are assessed for delinquent payments.

### ***Successor Employer***

An employer who acquires all or a portion of its trade or business from another employer is considered a successor. As a successor, the employer inherits the tax rate and the experience rating history of the preceding employer.

- New successor employers must report and upload valid succession documents, whether the succession is a full or partial succession, at the time of registration via our Employer Self-Service Portal (ESSP) at <https://essp.does.dc.gov>.
- Full/partial transfers among existing employers must be reported to the Status Unit by submitting valid succession documents via email to [uitax.info@dc.gov](mailto:uitax.info@dc.gov), fax to 202-698-5706, or mail to: **UI Tax Division, Attn: Status Unit**, 4058 Minnesota Ave., NE, 4th floor, Washington, DC 20019.
- Valid succession documents include: Corporate Reorganization, Purchase Agreement, Bill of Sale, Merger/Acquisition, or official internal reorganization letter. The tax rate determination process can be delayed if the succession documents provided are not in a valid form.

**Note:** Pursuant to the Unemployment Compensation Contributions Federal Conformity Amendment Act of 2006, the Office of Unemployment Compensation is entitled to penalize employers who knowingly withhold or provide false information

regarding the transfer of workforce/payroll from one business entity to another. Penalties range from higher unemployment insurances tax rates and monetary fines to imprisonment.

## **COMPLIANCE AND ENFORCEMENT**

### ***Field Audits***

To ensure compliance with the taxing provisions of the law, field audits are conducted periodically to review employer records. The primary objectives of the field audit are to:

- Verify that employers are maintaining true and accurate records;
- Guarantee compliance with the taxing provisions of the District of Columbia Unemployment Compensation Law;
- Foster understanding by employers of the unemployment compensation law; and
- Maintain good agency-employer relationships through dissemination of information pertaining to the overall employment security program.
- Ensure that benefit coverage is provided for workers who are entitled to such coverage under law

An audit may disclose an underpayment or overpayment of taxes by an employer. For cases of underpayment, the auditor will collect additional taxes and interest due. For cases involving overpayment, the auditor will assist the employer in applying for a tax refund or credit adjustment.

**You are required by law to make your records available for inspection by DOES auditors upon request.** Whenever possible, tax auditors will arrange to examine your records at your place of business (or where the records are usually kept) at a time convenient for you.

All tax auditors carry DOES-issued identification. Do not hesitate to ask for proper identification.

### ***Collection Activities***

DOES maintains a vigorous collection program to obtain delinquent reports and taxes. You will be notified in writing of any outstanding reports and/or amounts due. You will also be notified in writing of any amount assessed against you and most likely, you will be contacted by a tax auditor who will attempt to collect any delinquent reports along with the amount due.

Your unemployment tax and administrative assessment and any related interest or penalty is a legal obligation imposed upon you as an employer. There is no authority in the law to reduce, compromise, or eliminate any portion of this obligation, and DOES will make every effort to collect it. However, we recognize that you may encounter financial difficulties which may affect your ability to pay your taxes timely. Deferred Payment Contracts (DPC's) or installment agreements that allow you to pay your delinquency by making regular monthly installments may be arranged in some cases. (See section below.)

If you fail to pay tax, administrative assessment, interest and penalties assessed by DOES, DOES will proceed with legal action to recover the amount due. This includes the placing of liens against the assets of a business and collection by civil and criminal court action.

### ***The Compliance and Clean Hands Certification Process***

DOES participates in the Compliance and Clean Hands Certification Process. These are two different avenues used by the District Government to determine if prospective contractors, entities, and individuals needing licensure or bidding on District contracts follow District laws.

### ***Compliance***

Contract Specialists from District of Columbia agencies with contracting authority and those from the DC Office of Contracting and Procurement forward written requests inquiring about the compliance status of entities that wish to do business with the District. The UI Tax Division responds to these specialists to advise whether the entity is “In Compliance,” “Not in Compliance,” or “Not Registered.” If the entity is “Not in Compliance,” the entity must become compliant by filing missing reports and/or remitting payment to clear the monetary delinquency. Payments must be made with certified funds. If the entity is “Not Registered,” it must submit documentation to the agency so that the agency can determine if the entity is liable under the statute. Once the entity resolves the issues and/or demonstrates adherence to an agreed-upon payment arrangement, a revised compliance response is forwarded to the appropriate Contract Specialist to indicate that the entity is in compliance. The compliance process is automated due to the high volume of requests.

### ***Citywide Clean Hands Certification***

The “Clean Hands” Mandate (D.C. Code § 47-2862) stipulates that individuals and businesses, known as entities, are to be denied city goods or services if there is a debt owed to the District of Columbia of more than one hundred dollars (\$100.00) for fees, taxes, fines, or penalties. Failure-to-file any required tax documents with the Office of Tax and Revenue (OTR) or DOES also mandates denial of city goods or services. The Citywide Clean Hands database is accessible to many District agencies. Individuals or entities found to be “Non-Compliant” must resolve the issue with either OTR or DOES, or both. Entities with a delinquency at DOES must promptly submit the required reports and/or remittance due. Remittances/payments must be in the form of certified funds. Once the items needed to resolve the delinquency are received, the entity is deemed “Compliant” and the database is updated as such.

DOES UI Tax Division is not a blanket issuer of Clean Hands Certifications to the public. It only updates those entities that have a non-compliance issue and who resolve their issue in full or are following an approved payment agreement. You may also contact the Office of Tax and Revenue at (202) 727-4829 to obtain the Clean Hands Certification. Employers who are seeking Clean Hands Certification do not have to be registered with DOES prior to seeking a certification.

### ***Deferred Payment Contracts (DPC)***

The Unemployment Tax Regulations allow for a delinquent employer to liquidate their delinquency by making regular monthly installments. The Director may authorize an employer to pay delinquent amounts by making regular monthly installments that will liquidate the delinquency in the shortest amount of time deemed reasonable by the Director. The initial period is of (6) months duration. The period may be extended by the Director or designee if employer circumstances change and the employer requests re-negotiation. A deferred payment agreement cannot be negotiated if the account has missing or unfiled reports.

The employer must make all installment payments timely. A stipulation of the agreement is that reports due after the signing of the DPC must be filed timely and paid in full. If this stipulation is not met, the agreement is considered null and void.

The guidelines of the DPC are set forth in writing. The agreement is printed in three (3) copies. All three copies of the agreement must be signed by the employer signatory able to bind the entity. The agreement must then be signed by the agency. The employer will receive a copy of the executed agreement for their records. The remaining copies become part of the agency files. The employer account is coded as being under a DPC and the payment agreement is closely monitored. If an employer defaults, the delinquency is subject to further agency collection procedures.

## ***UI BENEFITS PROGRAM***

### **WHO MAY FILE AN UNEMPLOYMENT INSURANCE CLAIM**

Any worker who is unemployed or who is working less than full-time may file an unemployment claim. A claim for benefits can be filed via Internet at [www.ui.dc.gov](http://www.ui.dc.gov) or [www.dcnetworks.org](http://www.dcnetworks.org). A claim may also be filed via telephone at 202-724-7000. Filing a claim form via the Internet or telephone is the fastest and most efficient way to complete a claim for benefits. In addition, claim applications may be filed at any American Job Center located in the District of Columbia. A full listing of the American Job Centers' locations can be found at [www.does.dc.gov](http://www.does.dc.gov).

Claimants are also able to file for their weekly benefits online at [www.ui.dc.gov](http://www.ui.dc.gov) or [www.dcnetworks.org](http://www.dcnetworks.org), by phone or by mailing in a paper claim form. Claimants are encouraged to utilize the website or phone to file their weekly claim forms as mailing in paper forms can result in payment delays.

### **WAGE REQUIREMENTS for ELIGIBILITY**

To be eligible for unemployment insurance benefits, an individual must meet the following wage requirements:

- Wages must be reported in at least two quarters of the base period (See base period definition below);
- At least \$1,300 in wages must be reported in one quarter of the base period;
- At least \$1,950 in wages must be reported for the entire base period; and
- Total base period wages must be at least 1.5 times the wages in the highest quarter or be within \$70 of that amount. For example, an individual has total base period wages of \$5,000, with \$3,500 in the highest quarter and \$500 in each of the other three quarters. This individual would not be eligible because the total base period wages of \$5,000 are not at least 1.5 times the wages in the high quarter ( $1.5 \times \$3,500 = \$5,250$ ), nor are they within \$70 of that amount.

### **BASE PERIOD AND MONETARY ELIGIBILITY**

The base period is a 12-month period that is determined by the date the claim is filed.

The wage calculation used to determine monetary eligibility is either traditional or alternative.

All claims are initially calculated for monetary eligibility using the traditional base period. The traditional base period uses the first four of the last five completed calendar quarters immediately preceding the effective date a claim is filed. If a claim fails to meet the monetary wage requirement to establish a traditional base period claim, an alternative base period calculation is used.

An alternative base period calculation uses the last four completed calendar quarters immediately preceding the effective date a claim is filed.

If neither base period calculation meets the wage requirements to establish a weekly benefit amount, the claim is denied as being monetarily ineligible.

### **MISSING WAGES**

If wages are not found in the wage file for claimants that have filed for unemployment benefits, the Tax Division will contact employers to obtain wage information so that the claim can be processed. Contact may be made by telephone, mail, in-person visit, fax, or e-mail. Employers may be subject to fines, interest, and penalty assessments for failing to report or properly classify wages.

## **AMOUNT OF BENEFITS**

### ***Weekly Benefit Amount***

A claimant's weekly benefit amount is calculated as  $1/26^{\text{th}}$  of the base period quarter with the highest amount of wages. For example, if an individual has \$5,200 in wages in the highest base period quarter of wages, then the corresponding weekly benefit amount would be \$200 ( $\$5200/26$ ).

The maximum weekly benefit amount, established by law, is \$444.00. All claimants with wages of \$11,544 and above in their high quarter of the base period receive this weekly benefit amount.

### ***Total Benefit Amount***

The total benefit amount that a claimant may receive on a claim is the lesser of 26 times the weekly benefit amount or one-half of the total wages in the base period. For example, a claimant's weekly benefit amount is \$50 and the total base period wages are \$2,300; this claimant would be entitled to \$1,150 in total benefits, which is one-half of the base period wages amount of \$2,300, rather than 26 times the weekly benefit amount of \$50, or \$1,300.

## **BENEFIT YEAR**

The benefit year is a 52-week period in which a claimant may collect benefits up to the maximum total benefit amount. The benefit year begins with the Sunday of the week in which the individual first filed a claim for UI benefits.

An individual may not file a new UI claim against the District of Columbia until the current benefit year has ended, even if all benefits have been received.

## **WAITING PERIOD**

Otherwise eligible claimants must be unemployed for a waiting period of one week before benefits are payable. The waiting period must be within the benefit year that includes the week for which the payment of benefits is claimed. The week cannot be counted as a waiting week if benefits have been paid with respect to such week.

## **EXTENDED BENEFITS**

During periods of very high unemployment, claimants may be eligible for extended benefits. Typically, these benefits are financed entirely by federal funds. However, some extensions may be financed one-half by federal funds and one half by the District of Columbia's UI Trust Fund.

## **OTHER ELIGIBILITY REQUIREMENTS**

In addition to wage requirements, claimants must also meet all the following requirements:

- Unemployed through no fault of their own.
- Available for work: ready and willing to accept work considered suitable because of past training, education, or experience.
- Physically able to work: claimants may not collect benefits while sick, injured, or disabled.
- Actively seeking work by making at least two job contacts each week, using methods that are customary for the occupation. Periodically, may be required to report to an American Job Center to demonstrate work search activities.
- Not receiving unemployment benefits from another state.
- You must report as directed. This includes submitting weekly claim forms, reporting for eligibility reviews and Benefit Accuracy Measurement interviews, and submitting documents required to establish eligibility for benefits, such as legal alien status and proof of wages.

Failure to meet these requirements may disqualify the claimant from receiving benefits.

## **REQUEST FOR SEPARATION INFORMATION**

Once a claimant files an initial claim for UI benefits, DOES reaches out to the last (30 day) employer via a request for separation information. If the reason for separation is other than lack of work, the employer must provide full details concerning the separation within seven (7) calendar days. In addition to receiving the request for separation information form, the last employer will also receive a copy of the Claimant's Monetary Determination. This form indicates the claimant's weekly benefit amount and the maximum amount that may potentially be collected.

Requests for separation information are mailed to employers; however, effective October 1, 2016, **employers will be required to use SIDES E-Response, an electronic method, as the sole method to respond to UI Requests for Separation Information.** SIDES E-Response is a data exchange system that provides an electronic and nationally standardized method through which employers can communicate with the District. SIDES E-Response is available to employers at no charge and it helps to simplify and streamline UI processes for employers. It has the benefits of helping employers to save time and money by providing accurate and timely information to state agencies. SIDES reduces paperwork, reduces follow up requests and phone calls, and helps to keep UI rates as low as possible by reducing improper payments to employees. For additional information about using SIDES E-Response in the District, please email [SIDES.HELP@dc.gov](mailto:SIDES.HELP@dc.gov), call 202-698-5800, or visit <http://does.dc.gov/page/sides-e-response>.

Larger employers who use third party agents (TPAs) may already be registered through SIDES; however, smaller employers and TPAs must register for SIDES E-Response via <https://webapps.does.dc.gov/eresponse/Account/Register> to manage UI claims activity on their UI accounts. Once an employer is registered through SIDES E-Response, they will no longer receive paper requests for separation information. Instead, they will receive electronic requests. Employers who are not yet registered to use SIDES E-Response should respond to the paper mailer received via mail. Additionally, the employer may return the form to the address specified on the form or respond via the Internet at [www.dcnetworks.org](http://www.dcnetworks.org). The form may also be faxed to Central Claims at (202) 698-5707. The last employer may also be contacted via telephone by a Claims Examiner with regard to the claimant's separation. This is normally done to clarify information provided on the returned separation form.

Employers who fail to respond to requests for separation information may negatively impact the benefit charges and resultant tax rates on the Base Period employers who will be charged for any payments made to the claimant. Recent federal legislation mandates fines, penalties, and the loss of the ability to remove benefit charges from accounts that exhibit a history of noncompliance to wage, employment, and separation information.

**IMPORTANT NOTICE TO EMPLOYERS:** As of October 21, 2013, federal law<sup>1</sup> forbids the relief of employer charges in instances where employers demonstrate an established pattern of being non-responsive to requests for separation and wage information. The relief of non-charges also extends to employers who fail to file their quarterly reports timely.

## **NOTIFICATION TO BASE PERIOD EMPLOYERS**

Employers for whom the claimant worked during the base period will also receive a notification that an initial claim has been filed. This form will indicate the base period wages reported by the employer, the percentage of total benefits that may be charged to the employer, and the total maximum potential charge. This information is also available via the Internet at [www.dcnetworks.org](http://www.dcnetworks.org). Click on the 'Employers' tab at the top of the page and then select "View Potential UI Charges." Use the UI account number and the first 5 digits of the FEIN to log in. Click on the column names to change the order of the information.

Employers should review this information carefully to ensure base period wages are correct. If base period wages do not agree with quarterly wages previously reported on the quarterly or annual payroll report submitted to DOES, or if the employer has no

<sup>1</sup> [http://wdr.doleta.gov/directives/attach/UIPL/uipl\\_2\\_12\\_acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/uipl_2_12_acc.pdf) and [http://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_2\\_12\\_Chg1\\_Acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_2_12_Chg1_Acc.pdf).



record of the individual ever having been an employee, the employer should notify the Office of Unemployment Compensation—Tax Division at (202) 698-7550 or use the “Contact Us” information provided on the Internet. Please note that a Base Period employer is not sent a Notice of Determination if it is not the separating employer. A claimant’s eligibility is determined solely on the last separating employer for which they worked for 30 days, regardless of whether this employment is inside or outside the base period.

### **DISQUALIFICATION OR INELIGIBILITY**

Claimants may be disqualified from receiving benefits or held ineligible for any of the following reasons:

- Voluntarily leaving their last (30-day) employer without good cause connected with the work;
- Being discharged by their last employer for gross misconduct that is supported by evidence;
- Being discharged by their last employer for other than gross misconduct;
- Refusing to apply for or accept suitable work without good cause;
- Participating in a labor dispute other than a lockout;
- Being physically unable to work or unavailable for work;
- Failing to report as directed;
- Failing to attend a training course recommended by DOES;
- Lacking authorization to work in the United States; and/or
- Having reasonable assurance of continuing employment where the employer is an academic institution or a sports team.

If the claimant is an employee of an educational institution, the claimant may also be held ineligible during the period between successive academic years or terms and during holiday breaks if he or she has been given a reasonable assurance of returning to employment when school resumes.

If a claimant is a member of a professional sports team, he or she may also be held ineligible for the period between sport seasons if the claimant has received reasonable assurance of continuing employment the next season.

### **REDUCTION OF WEEKLY BENEFIT AMOUNT**

A claimant's benefit amount may be reduced for the following reasons:

#### ***Receipt of Pension***

Where the claimant’s pension is received from a Base Period employer and the claimant made 0% contribution to the pension fund. Therefore, in addition to private funds that meet these criteria, Social Security, Federal Civil Service, or DC Government pensions are not deductible for UI benefits purposes

#### ***Earnings***

All earnings from work, including self-employment must be reported on the claimant's weekly or bi-weekly claim form. The following formula is used to determine the amount of the weekly benefit that will be paid when wages are earned during a benefit week:

- Add \$20 to the weekly benefit amount.
- Subtract 80% of the gross weekly wages.
- The remainder, rounded down, is the reduced weekly benefit amount.

**Note:** A claimant working full-time is not eligible for benefits, regardless of the amount of the gross weekly earnings. Full time status is determined by each individual employer.

### ***Overpayments***

If claimants are determined to have received benefits to which they are not entitled, they will receive a written notice that explains the amount overpaid and the reason for the overpayment. Some of the most common reasons for overpayments are the following:

- Failure to report earnings;
- Incorrectly reporting earnings (e.g., reporting net earnings instead of gross earnings);
- Failure to report pensions;
- A decision by an Appeals Examiner or the Office of Administrative Hearings which overturns an earlier ruling that claimants were entitled to benefits;
- Continuing to file for benefits after return to full-time work; or
- Back-pay awards: If claimants have been restored to work with back pay, they are overpaid for the weeks for which they received UI benefits. If an employer makes a back-pay award to a claimant who has received benefits during the same period covered by the back-pay award, the employer is required by law to withhold from the back-pay award an amount equal to the benefits paid. For benefits received or payment information, contact the UI Benefit Payment Control Unit at (202) 698-5111.

### ***Repayment of Overpayments***

Claimants who are overpaid are liable for full repayment to the state. Repayment may be made either in a lump sum or in agreed upon installments. Future unemployment benefits due may also be withheld to satisfy outstanding overpayments. If repayment is not made, legal action will be taken to collect the overpayment.

### ***Penalty for Fraud***

As federally mandated by the U.S. Department of Labor, effective October 1, 2014, all unemployment compensation payments made on or after October 21, 2013 that were determined by the Agency to be fraudulent will be assessed a monetary penalty of 15%. This 15% penalty is to be paid in addition to the actual amount of the fraudulent overpayment. If claimants knowingly make false statements, falsify work search contacts, or withhold important facts to obtain or increase benefits, they may be disqualified for up to one year beyond their benefit year ending date. They are also subject to civil or criminal prosecution and possible incarceration.

**IMPORTANT NOTICE TO EMPLOYERS:** As of October 21, 2013, federal law<sup>2</sup> forbids the relief of employer charges in instances where employers demonstrate an established pattern of being non-responsive to requests for separation and wage information. The relief of non-charges also extends to employers who fail to file their quarterly reports timely. As such, the District will not provide relief to an employer's UI account for UI overpayments if it is determined the overpayment resulted from the employer being non-responsive to requests for separation and wage requests or failed to furnish quarterly wage reports in a timely manner. The District has determined that two separate unsuccessful attempts to receive information from an employer will result in the prohibition of relief of charges.

### ***Tax Withholding***

UI benefits are subject to both federal and District income taxes. Claimants can choose how deductions are made from UI benefits and claimants are sent a Form 1099 at year end.

<sup>2</sup> [http://wdr.doleta.gov/directives/attach/UIPL/uipl\\_2\\_12\\_acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/uipl_2_12_acc.pdf) and  
[http://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_2\\_12\\_Chg1\\_Acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_2_12_Chg1_Acc.pdf).

### ***Child Support***

UI benefits are subject to child support obligations. DOES is required to withhold and forward these deductions taken from the claimant's weekly benefit check to satisfy the obligation outlined in a Child Support Order.

## **IMPROPER PAYMENTS**

### ***Detection of Improper Payments***

DOES employs many techniques to detect claimants who may be receiving or who have received benefits to which they are not entitled. These include:

- A random audit of claims by the Benefit Accuracy Measurement Unit;
- A computerized cross match of wages reported by employers with unemployment benefits paid for the same weeks;
- An investigation of information received from employers;
- Computerized cross matches of wages reported by employers in neighboring states, such as Maryland and Virginia;
- Computerized cross matches of new hire information.

### ***Role of Employer in Detecting Improper UI Benefit Payments***

Every quarter, employers receive a summary of all charges to their accounts. Employers should carefully review these quarterly charge statements to see if there are individuals listed as receiving UI benefits who returned to work during the quarter in question. In some cases, a claimant may have been on an employer's payroll and properly received unemployment benefits for the same quarter. Employers who suspect that a claimant may have received improper benefits should contact the Office of Unemployment Compensation—Benefit Payment Control Unit at (202) 698-5111. Employers may also help to detect improper benefit payments by cooperating with requests for information received from DOES about detailed weekly earnings for claimants suspected of being improperly paid.

**IMPORTANT NOTICE TO EMPLOYERS:** As of October 21, 2013, federal law<sup>3</sup> forbids the relief of employer charges in instances where employers demonstrate an established pattern of being non-responsive to requests for separation and wage information. The relief of non-charges also extends to employers who fail to file their quarterly reports timely. As such, the District will not provide relief to an employer's UI account for UI overpayments if it is determined the overpayment resulted from the employer being non-responsive to requests for separation and wage requests or failed to furnish quarterly wage reports in a timely manner. The District has determined that two separate unsuccessful attempts to receive information from an employer will result in the prohibition of relief of charges.

## **BENEFIT CHARGES**

### ***Charging of Benefits***

A Base Period employer is liable for the cost of benefits paid to former employees through charges to the employer account. UI benefits are charged in proportion to the percentage of total base period wages paid to the former employee. For example, if an employer paid 100 percent of the claimant's base period wages, the account would be charged 100 percent of the UI benefits paid to the former employee. If an employer paid only 25 percent of the base period wages, the account would be charged for 25 percent of the UI benefits paid to the former employee.

Charges to the account are one of the three factors that enter into the calculation of the annual tax rate. The other factors are taxes paid and total payroll. Therefore, charges could increase the tax rate.

<sup>3</sup> [http://wdr.doleta.gov/directives/attach/UIPL/uipl\\_2\\_12\\_acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/uipl_2_12_acc.pdf) and [http://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_2\\_12\\_Chg1\\_Acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_2_12_Chg1_Acc.pdf).

### ***Notice of Benefit Charges***

Every quarter, employers receive a charge statement detailing all charges against the account for that quarter. The statement lists the claimant's name, Social Security number, and total charges. Employers will also receive an annual detailed charge statement covering the period July through June. This charge statement is not a tax due notice. The charging information is also available at [www.dcnetworks.org](http://www.dcnetworks.org). Click on the "Employer" tab at the top of the page and then select "View UI Charges." Use the UI employer account number and the first 5 digits of the FEIN to login. Click on the column names to change the order of the information.

A reimbursable employer will receive a quarterly bill (Form UC 244) accompanied by a detailed listing of each individual charge against the account. Payment on this quarterly bill is due 30 days from the date of the notice.

Contributory employers are not charged in the following circumstances:

- When benefits are paid after a claimant's re-qualification after being disqualified for voluntarily leaving the last employer without good cause connected with the work or for misconduct in the course of the last work. All base period contributory employers are relieved of such charges.
- When benefits are paid to a claimant who became unemployed as a direct result of domestic violence.
- When benefits are paid to a claimant who is a continuing part-time employee of an employer other than the separating employer. It is the responsibility of the continuing contributory employer to notify DOES in this case. Only the continuing contributory employer is eligible for this non-charging.
- When federal extended benefits are paid to a claimant who has exhausted regular benefits. All base period contributory employers are automatically relieved of such charges. For non-federal extended benefits, contributory employers are responsible for 50% of benefits charged.

Reimbursable employers are responsible for all benefits charged to their accounts for regular UI, and non-federal extended benefits.

## **NOTIFICATIONS AND APPEAL RIGHTS**

### ***Notification to Claimant of eligibility for UI benefits and Right to Appeal***

Claimants are sent a written Notice of Determination from a Claims Examiner that advises them of their eligibility for benefits and provides the reason(s) for the denial or approval for these benefits. A copy of this determination is also sent to the last separating employer.

If claimants or employers disagree with such a determination, either party has the right to file an appeal. Any appeal must be filed in writing within 15 calendar days of the date the determination was certified as being mailed or hand delivered.

### ***Notification to Last Employer and Right to Appeal***

In addition to the Notice of Monetary Determination, the last employer will also receive a notice on whether a claimant has been disqualified because of the circumstances of their separation from the employer. A request for an appeal may be filed with the Office of Administrative Hearings in person at One Judiciary Square, 441 4<sup>th</sup> Street, NW, Suite 450N, Washington, D.C. 20001-2714; via fax at (202) 442-9451; or via email at [oah.filing@dc.gov](mailto:oah.filing@dc.gov).

**\*Note:** Please make sure that a copy of the determination that is being appealed is submitted at the time of the appeal.

### ***Appeal Rights of Employers Who Are Not the Last Employer***

A decision on eligibility for benefits may be imposed only about the last (30-day) employer. Base Period employers, who are not the last separating employer, may only appeal a claimant's entitlement to benefits based on the separation from the last

employer. Base Period employers may present evidence at an appeal hearing regarding the claimant's separation from the last employer and may cross-examine the claimant at such hearing.

Base Period employers also have the right to appeal a claimant's continuing eligibility for benefits by contesting availability for work and/or physical ability for work.

### **THE APPEAL PROCESS AND NOTICE OF HEARING**

Once an employer has filed an appeal contesting a claimant's eligibility or a claimant has filed an appeal contesting ineligibility, a Scheduling Order and Notice of In-Person Hearing (Scheduling Order) will be sent in advance of the scheduled hearing by the Office of Administrative Hearings. This notice will indicate the date, time, and place of the hearing. Claimants and employers should be prompt, as failure to appear at the scheduled time may result in a decision without the absent party's direct testimony. Please refer to the Scheduling Order or contact the Office of Administrative Hearings for any questions or concerns about the hearing.

### **MAINTAINING INTEGRITY IN THE UNEMPLOYMENT INSURANCE PROGRAM**

The UI program is the most successful social insurance program enacted by Congress. The program is primarily funded by employers and is operated by states under the guidance of the U.S. Department of Labor. The UI program operates on the principle of trust. Trust in the belief that the employer will comply with the proper classification and the reporting of wages liable to the District of Columbia. Trust in the belief that claimants who file for benefits meet the eligibility requirements for the receipt of UI benefits.

Our ability to efficiently and accurately process UI claims depends on the speed and accuracy of the information received from employers and claimants to make timely decisions.

Over the last few years, concerns about the error rates associated with the payment of benefits from social insurance programs have brought increased attention to the factors that are used to make eligibility determinations. Legislative bodies have placed more interest in eligibility and payment determinations. Greater emphasis has been placed on the importance and requirement of employer participation to increase the level of integrity in the UI program.

Please participate in following activities that will greatly enhance our ability to protect the UI Trust Fund, by reducing erroneous payments and keeping UI tax rates competitive.

- Use [www.Everify.com](http://www.Everify.com) to determine if potential employees are authorized to work in the United States.
- Report all new hires to the State Directory of New Hires. Employees hired in the District of Columbia should be reported to <https://dc-newhire.com>.
- Keep contact information current. Inform DOES of the contact addresses for tax and benefit correspondence. If a third-party agent is used, please provide DOES with the mandatory Power of Attorney form. The form must specify the transactions the agent is authorized to perform.
- Promptly respond to all requests for separation, wage, and employment information from DOES. Employers are encouraged to manage UI claims online at [www.dcnetworks.org](http://www.dcnetworks.org). Promptly provide facts when responding to separation requests. Be Proactive!
  - Give dates of significant events (e.g., issuance of handbooks, policies, warnings, reprimands, notices, etc.).
  - Include who, what, when, where, how, and the degree to which an offense occurred.
  - Include copies of policies, rules, and regulations that were violated.
  - Include eye witness testimony.
- Adopt rules, policies, and codes of conduct (e.g., Employee Handbook).

- Properly classify workers who are hired to engage in activities that support the continuing operations of the business enterprise.
- Report employers who improperly classify workers.
- Review quarterly charge statements or billing notices for inaccuracies or suspicious activity.
- Contact DOES for questions and guidance related to the UI program, send inquiries to [uitax.info@dc.gov](mailto:uitax.info@dc.gov).

## ***FREQUENTLY REQUESTED CONTACT INFORMATION***

<b>Division</b>	<b>Telephone Number</b>	<b>Website/Email Address</b>
<b>UI Tax Division</b>		
General Tax Information	202-698-7550	<a href="http://www.does.dc.gov">www.does.dc.gov</a>
Tax Division – Employer Self-Service Portal (ESSP)		<a href="https://essp.does.dc.gov/">https://essp.does.dc.gov/</a>
UI Tax Division – UI Tax Inquiries	202-698-7550	<a href="mailto:uitax.info@dc.gov">uitax.info@dc.gov</a>
UI Tax Division – Electronic Filing Instructions		
<b>UI Benefits Division</b>		
UI Benefits Division – Claims Information	202-724-7000	<a href="http://www.dcnetworks.org">www.dcnetworks.org</a>
UI Benefits Payment Control – General Information	202-698-5111	<a href="http://www.dcnetworks.org">www.dcnetworks.org</a>
UI Benefits Division – Employer Relief of Charge Protests	202-724-7000	<a href="mailto:benefitroc@dc.gov">benefitroc@dc.gov</a>
<b>Other Offices/Programs</b>		
Wage and Hour Division	202-671-1880	<a href="http://www.does.dc.gov">www.does.dc.gov</a>
Worker Compensation Division	202-671-1000	<a href="http://www.does.dc.gov">www.does.dc.gov</a>
Office of Paid Family Leave	202-899-3700	<a href="mailto:does.opfl@dc.gov">does.opfl@dc.gov</a>
E verify (Worker Authorization)	800-791-1427	<a href="http://www.Everify.com">www.Everify.com</a>
District of Columbia New Hire Reporting	202-671-1880	<a href="https://dc-newhire.com">https://dc-newhire.com</a>
Office of Tax and Revenue Business Registration	202-727-4829	<a href="http://www.ocfo.dc.gov">www.ocfo.dc.gov</a>
American Job Center – Headquarters	202-724-2337	<a href="http://www.dcnetworks.org">www.dcnetworks.org</a>
American Job Center – Northeast	202-576-3092	<a href="http://www.dcnetworks.org">www.dcnetworks.org</a>
American Job Center – Northwest	202-442-4577	<a href="http://www.dcnetworks.org">www.dcnetworks.org</a>
American Job Center – Southeast	202-741-7747	<a href="http://www.dcnetworks.org">www.dcnetworks.org</a>
Summer Youth Employment Program	202-698-3492	<a href="http://www.summerjobs.dc.gov">www.summerjobs.dc.gov</a>
DOES Equal Employment Opportunity Program	202-671-0891	<a href="mailto:eo.does@dc.gov">eo.does@dc.gov</a>
Office of Administrative Hearings	202-442-9094	<a href="http://www.oah.dc.gov">www.oah.dc.gov</a>
DC Chamber of Commerce	202-347.7201	<a href="http://www.dcchamber.org">www.dcchamber.org</a>
SIDES and SIDES-E-Response	202-698-5800	<a href="http://does.dc.gov/page/sides-e-response">http://does.dc.gov/page/sides-e-response</a> <a href="mailto:SIDES.HELP@dc.gov">SIDES.HELP@dc.gov</a>

## ***EQUAL OPPORTUNITY IS THE LAW***

DOES does not discriminate against any individual on the grounds of race, color, religion, sex, national origin, age, disability, marital status, personal appearance, sexual orientation, gender identity or expression, family responsibilities, genetic information, matriculation, or political affiliation or belief. Further, DOES does not discriminate against any beneficiary of programs financially assisted under Title 1 of the Workforce Investment Act of 1998 (WIA) based on the beneficiary's citizenship status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title 1 – financially assisted program or activity.

If you think you have been discriminated against under any WIA Title 1 – financially assisted program or activity, you may file a complaint, within one-hundred-eighty (180) days from the date of the alleged violation, with the Department of Employment Services Equal Employment Opportunity Officer, 4058 Minnesota Avenue NE, Suite 5800, Washington, D.C. 20019, or you may file a complaint with the District of Columbia Office of Human Rights, 441 4th Street NW, Suite 570 North, Washington, D.C. 20001. A complaint of sexual harassment may be filed directly with the DC Office of Human Rights.

If you elect to file your complaint with DOES, the EEO Officer shall, insofar as is practicable, conduct the final interview no later than thirty (30) calendar days after the date of which the matter was called to the EEO Officer's attention. If you wish to file a formal complaint after counseling, you must do so within fifteen (15) calendar days of the receipt of the EEO Officer's notice of right to file a formal complaint with the DC Office of Human Rights.

For more information concerning the DOES Equal Employment Opportunity Program, please contact the Equal Employment Opportunity Manager at (202) 671-0891.



**Dr. Unique Morris-Hughes, Director** • **Muriel Bowser, Mayor**