

# Oregon Domestic Combined Payroll Tax Report

2011

Oregon Department of Revenue  
Oregon Employment Department  
Oregon Department of Consumer & Business Services

## Forms and Instructions For Oregon Domestic Employers

- **FORM OA DOMESTIC  
OREGON ANNUAL TAX REPORT**
- **FORM 132 DOMESTIC  
EMPLOYEE DETAIL REPORT**
- **FORM WR  
OREGON ANNUAL WITHHOLDING  
TAX RECONCILIATION REPORT**
- **BUSINESS CHANGE IN STATUS FORM**
- **BUSINESS CONTACT CHANGE FORM**

2011 Oregon Combined Payroll Tax Payment  
Coupons (Form OTC) are mailed separately.

## How to ensure that your report is processed on time

- ❖ Do you use a tax preparer? If so, they may need this booklet to file your reports.
- ❖ Double-check your math.
- ❖ When sending a payment by check, you must include Form OTC.
- ❖ If you have no payroll or subject hours worked; enter a "0" in the boxes on lines 1, 5, 9 and 11 for each tax program to which you are subject.



Oregon Department of Revenue  
955 Center Street NE  
Salem OR 97301-2555

# Contact Information

## State withholding taxes

### Oregon Department of Revenue (DOR)

Salem: 503-945-8091 or 1-800-356-4222  
TTY users: 503-945-8617 or 1-800-886-7204  
Fax: 503-945-8772  
E-mail: payroll.help.dor@state.or.us  
Mail: **Oregon Department of Revenue**  
**955 Center Street NE**  
**Salem OR 97301-2555**  
Internet: [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business)

- Sign up for “*Payroll Tax News*”
- Payroll tax basics
- Oregon transit payroll taxes for employers, including transit rates

### TriMet Boundaries

Phone: TriMet, 503-962-6466 or  
DOR, 503-945-8091  
Internet: [ride.trimet.org](http://ride.trimet.org)

### Lane Transit District (LTD) Boundaries

Phone: LTD, 541-682-6100 or  
DOR, 503-945-8091  
Internet: [www.ltd.org](http://www.ltd.org)

### Reporting forms:

Oregon Annual Tax Report (Form OA - Domestic)  
Oregon Annual Withholding Tax Reconciliation  
Report (Form WR)  
Business Change in Status Form  
Business Contact Change Form

## Payments for all tax programs

### Order OTCs:

Salem: 503-945-8091 or 503-378-4988  
Internet: [www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax)

Oregon Combined Payroll Tax Payment Coupons (Form OTC) are mailed separately to employers. You must include one with each payment. You don't need to send Form OTC if you use EFT.

### Electronic funds transfer (EFT)

Help Line: 503-947-2017  
Internet: [www.oregon.gov/dor/eserv](http://www.oregon.gov/dor/eserv)

Before starting EFT payments, you must file an authorization agreement with DOR.

## Workers' Benefit Fund (WBF) assessment

### Oregon Department of Consumer & Business Services (DCBS)

#### Assessment questions:

Salem: 503-378-2372  
Fax: 503-378-3134  
E-mail: [wbfassess.fabs@state.or.us](mailto:wbfassess.fabs@state.or.us)  
Mail: **WBF Assessment Section**  
**DCBS/FABS**  
**PO Box 14480**  
**Salem OR 97309-0405**  
Internet: [www.oregon.gov/dcbs/fabs/wbf.shtml](http://www.oregon.gov/dcbs/fabs/wbf.shtml)

- What is the Workers' Benefit Fund?
- Determining WBF hours worked
- Calculating the WBF assessment

#### Subjectivity questions:

Salem: 503-947-7815 or 1-888-877-5670  
E-mail: [wcd.employerinfo@state.or.us](mailto:wcd.employerinfo@state.or.us)

#### Reporting forms:

Oregon Annual Tax Report (Form OA - Domestic)  
Business Change in Status Form  
Business Contact Change Form

## State unemployment insurance tax

### Oregon Employment Department (OED)

Salem: 503-947-1488  
TTY users: 711  
Fax: 503-947-1700  
E-mail: [taxinfo@emp.state.or.us](mailto:taxinfo@emp.state.or.us)  
Mail: **Tax Section**

**Employment Department**  
**875 Union St NE**  
**Salem OR 97311-0030**

Internet: [www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax)

- Electronic reporting
- Order or download forms
- UI account information

#### Reporting forms:

Oregon Annual Tax Report (Form OA - Domestic)  
Employee Detail Report (Form 132 - Domestic)  
Business Change in Status Form  
Business Contact Change Form  
Order form (paper report forms)

## Employer new hire reporting program

### Oregon Department of Justice

Salem: 503-378-2868 or 1-866-907-2857  
Fax:: 503-378-2863 or 503-378-2864  
1-877-877-7415 or 1-877-877-7416  
E-mail: [emplnewhire.help@doj.state.or.us](mailto:emplnewhire.help@doj.state.or.us)  
Mail: **Department of Justice  
Division of Child Support  
Employer New Hire Reporting  
Program  
4600 25th Ave NE, Suite 180  
Salem OR 97301**  
Internet: [www.oregonchildsupport.gov](http://www.oregonchildsupport.gov)

All Oregon employers must report new and rehired employees to the Oregon Department of Justice's Division of Child Support no later than 20 days from their hire date.

## Online resources

[www.cbs.state.or.us/wcd/communications/emp\\_info.html](http://www.cbs.state.or.us/wcd/communications/emp_info.html)

- Do I need Workers' Compensation insurance?
- Employer incentives to hire an injured worker
- Insurers authorized to write Oregon Workers' Compensation policies

[www.filinginoregon.com](http://www.filinginoregon.com)

- *How to Start a Business in Oregon*
- *Employer's Guide for Doing Business in Oregon*
- Electronic Business Registration
- Electronic Business Contact Change Form

[www.irs.gov/businesses/small](http://www.irs.gov/businesses/small)

- Contracting payroll service
- Acquiring an FEIN
- Federal payroll tax forms

[www.oregon.gov/BOLI](http://www.oregon.gov/BOLI)

- Technical assistance for employers

[www.oregon.gov/BOLI/WHD](http://www.oregon.gov/BOLI/WHD)

- Minimum wage and
- Overtime

## Table of Contents

Tips for Successful Reporting and Important Information.....	4
Required Forms .....	5
Filing the Oregon Combined Annual Tax Report.....	6
Payment Instructions.....	6
Penalties .....	7
Interest; Credits.....	8
Oregon Annual Tax Report (Form OA) Instructions .....	8
Domestic Employee Detail Report (Form 132) Instructions.....	10
Unemployment Insurance (UI) Tax Information.....	12
Withholding Tax Information.....	13
Workers' Benefit Fund (WBF) Assessment Information .....	13

**Filing Due Date for Annual Report is January 31, 2012**

## WHERE TO FILE AND PAY

*Mail all reports and payments to:*

**Oregon Department of Revenue  
PO Box 14800  
Salem OR 97309-0920**

In compliance with the Americans with Disabilities Act (ADA), this information is available in alternative formats by calling the **Oregon Department of Revenue**, 503-378-4988, or 1-800-356-4222 (toll free from an Oregon prefix) or the **Oregon Employment Department**, 503-947-1488

# Tips for Successful Reporting

When you report all required information correctly, you can avoid delays in the processing of your forms. Delays may result in penalties, interest charges, and other fees you may be required to pay if you don't report accurately and on time. If you use a payroll service, remember you are ultimately responsible for providing accurate and timely reporting and payments.

## How to avoid common problems

- Use the correct Oregon business identification number (BIN).
- Put the BIN and quarter/year on each report form in the appropriate box.
- Use the correct tax rates.
- If using nonprefilled forms, make sure to include name and address.

- Keep copies of Form OQ, Schedule B, Form 132, and Form OTC for your records.
- Report whole hours on Form OQ (WBF assessment) and on Form 132.
- Reduce calculation errors and other mistakes by filing your report electronically. See Filing Options on page 6.

## Important Information

**Oregon Department of Revenue, Employment Department, and Department of Consumer and Business Services rules differ. Please read all instructions carefully. If you have questions, please contact the appropriate agency (see page 2).**

### Quarterly Filing Options

If you choose to file on a quarterly basis, the Employment Department has free software available. See page 5 or call 503-947-1488 for more information.

### Unemployment Insurance (UI) Tax Rate

Your UI tax rate is based on the last 12 quarters experience through June 30, 2011. You received a *Notice of Estimated Tax Rate* in November 2010 because the data is not available for the first two quarters of 2011 until we receive your annual report in 2012. Final tax rate notices will be mailed in May 2012 after the year 2011 annual reports are processed.

### Closing your account

All reports and payments are due within 20 days of the date that you terminate your employees, rather than January 31. Interest will begin to accrue if payment is not made by that date.

### Filing Option

Employers with exclusively domestic (in home service) employment may choose to file the combined payroll tax reports quarterly or annually. The quarterly forms are sent out in February, and annual forms are sent out by

November of each year. Contact OED for more information (see page 2).

### Oregon Identification Numbers

Your Oregon business identification number (BIN) is not the same as your registry number issued by the Oregon Secretary of State's Corporation Division. **If you don't know your BIN, contact DOR** (see page 2).

The correct format for a BIN is NNNNNNNN-N (for example, 1234567-8).

**You must include your BIN at the top of all correspondence, returns, and payments that you file with DOR, OED, and DCBS.**

**Important:** If the structure of your business has changed, contact DOR (see page 2).

### Bankruptcy

If you file for bankruptcy, you need to notify **separately** each state agency that administers the payroll taxes and/or assessments to which you are subject.

### Keep your records

You must keep WBF assessment-related payroll records for at least four years.

You must keep all other payroll records for at least six years after filing the required reports.

### Withholding tax tables and formulas

The Oregon withholding tax tables and formulas were updated January 1, 2012. They are reviewed every year. If they are revised, DOR will send information through Payroll Tax News. Contact DOR for more information (see page 2).

# Required Forms

If you file paper forms, using the forms in this booklet ensures faster and more accurate processing.

We process paper forms electronically. It is critical for successful reporting to use the correct format and color.

To avoid problems, please:

- Use only blue or black ink.
- Use only original forms. Don't photocopy or fax your reports.
- Use **CAPITAL LETTERS ONLY** when filling out your reports.

**If you use a tax preparer**, please check with them to see if they need this booklet to file your reports. Your forms can be sent directly to your tax preparer. Fill out the *Business Contact Change Form* to change your forms' mailing address to your tax preparer's address.

## Forms needed for reporting

- **Form OA** - File this form each year to document how you calculate the annual amounts for state UI tax, state withholding tax, and the Workers' Benefit Fund (WBF) assessment you owe.
- **Form 132** - For UI tax only. File these forms with Form OA to detail, by employee, the quarterly subject wages and hours each employee worked to calculate the amount of UI tax you owe.
- **Form OTC** - File with each payroll tax payment to show how the amount paid is to be distributed among UI tax, state withholding tax, and the WBF assessment.

## Amended forms

Fillable amended report forms are available from OED (see page 2):

- *Form OQ/OA-AMENDED*
- *Schedule B-AMENDED*
- *Form 132-AMENDED*.

**DOR:** You may make changes as far back as necessary to make corrections and report the proper amount of withholding and transit taxes.

However, if that correction results in a refund, you have three years from the due date of the return, or two years from the date the tax was paid, whichever is later, to request that refund.

**OED:** You may make changes to the UI tax portion of the reports starting with the current quarter plus the previous three years.

**DCBS:** You may make changes to the WBF assessment portion of the reports for the current year plus three previous years.

**NOTE:** Form OTCs are mailed separately, by December 31 of each year. If you need to order additional coupons, write the Oregon Department of Revenue, PO Box 14800, Salem, OR 97309-0920, or call 503-945-8091 or 503-378-4988. When ordering, tell us how many coupons you need for the remainder of the year.

## Other forms

Because we process reports and payments electronically, our systems won't pick up special instructions or notations you write on Form OA or Form OTC. Use the following forms, located in the back of this booklet, to make updates:

***Business Change in Status Form.*** Use this form to update your information such as: Changing a business name, closing the business or no longer have employees.

If the structure of your business changes, you may need to complete the *Combined Employers Registration*.

***Business Contact Change Form.*** Use this form to update your contact information, such as: physical, mailing, or e-mail address; phone or fax number; and offsite payroll service, accountant, or bookkeeper.

**Form WR** - Required by all employers who withhold state income tax from their employees. It is filed annually by employers to reconcile the Oregon state withholding taxes reported to DOR with all Oregon W2s and 1099s issued to your employees. If you stop doing business or no longer have employees, Form WR is due 30 days after your final payroll.

# Filing the Oregon Combined Annual Tax Report

## Who must file

If you choose an annual reporting schedule, you must file a Form OA Domestic each year:

- As long as you are registered as an active employer with DOR, OED, or are either required by law or choose to have a workers' compensation insurance policy in Oregon.

You must file Form 132 Domestic:

- If you are an employer subject to UI law.

## When to file

Your report and payment are due no later than January 31, 2012. If your account closes mid year, both reports and payment are due within 20 days of the closing.

## Failure to file

If you don't file a correct, complete annual report, you may receive an assessment from each agency for taxes owed based on available information. Each agency may charge penalties and interest on the amount assessed (see page 7).

## Quarterly Filing Options

Electronic filing is far more efficient, accurate, and less time consuming than paper filing. You can file electronically on the internet or by telephone if you elect to report quarterly.

The Employment department has free software for filing electronically. This software is a substitute for quarterly filings of paper Form OQs, Schedule Bs, and Form 132s.

## Payment Instructions

### Oregon combined payment

To make sure your payment is correctly applied:

- Complete and send in Form OTC with every payment when due, including payments made with your Form OA.
- Show the amount paid to each tax program in the appropriate boxes on Form OTC. Enter **only** the amount shown on your check. Don't include credits (see page 8).
- Don't staple or tape check to Form OTC.
- Make checks payable to "Oregon Department of Revenue."

- Send Form OTC and your check to:  
**Oregon Department of Revenue**  
**PO Box 14800**  
**Salem, OR 97309-0920**

- Keep all payment records (see page 4).

### Electronic funds transfer (EFT)

EFT is a convenient, safe, and accurate way to make payments for combined payroll taxes. EFT allows you to make payments using a secure internet site, a touch-tone telephone, or through your financial institution. We encourage you to use the EFT program even if you're not required to, because it's accurate and convenient. Contact DOR for more information (see page 2).

The image shows a sample Form OTC, Oregon Combined Payroll Tax Payment Coupon. The form is divided into several sections:

- Left Section:** Five rows of boxes for tax categories: State Unemployment, State Withholding, TriMet District Excise, Lane Transit District Excise, and Workers' Benefit Fund Assessment. Each row has a dropdown arrow and a small square box.
- Center Section:** Contains the text "Form OTC OREGON COMBINED PAYROLL TAX Payment Coupon 150/211-0653 (Rev. 9-06)". Below this is a box for "Enter quarter payroll was paid to employees: (1, 2, 3, or 4) ->" and a "TOTAL PAYMENT (add all the boxes at left)" box with a grid of boxes.
- Right Section:** Includes a "Date Received" box, a "YEAR" box, and a "BUSINESS ID NO." box. Below these is the instruction "Make check payable to: Oregon Department of Revenue PO Box 14800 Salem OR 97309-0920".
- Bottom:** A large "SAMPLE" watermark is overlaid across the center. At the bottom right, there is a long alphanumeric string: "12345678900000000091920400111".

# Penalties

## Unemployment insurance (UI) tax

A failure-to-file or late-filing penalty may be assessed if you file Form OA Domestic or Form 132 Domestic (Employee Detail Report) more than 10 calendar days after the due date, and you received a warning. Forms may be returned to you if you haven't correctly formatted them or if they are incomplete. You must resubmit these reports by the 10th day after the due date to avoid this penalty.

The UI tax failure-to-file penalty is \$6 for each employee reported, with an \$80 minimum and \$1,600 maximum penalty. If no subject wages are reportable, but you file the report late, you may be assessed a \$5 penalty.

OED may assess a penalty if you fail to pay a tax assessment. The penalty will be 10 percent of the unpaid tax for that assessment.

OED may assess a 50 percent penalty of the unpaid tax balance if the agency finds out that an employer is intentionally avoiding paying UI tax. (ORS 657.515(5))

OED may charge an employer an additional 1 percent penalty if, as of September 1, the employer hasn't:

- Filed all UI tax reports:
  - Form OA, **or**
  - Form 132, **or**
- Paid all UI taxes due.

The penalty is 1 percent of the employer's previous year's taxable payroll.

Note: These penalties are in addition to interest due.

## State withholding

- DOR charges a 5 percent late-payment penalty on any unpaid tax after the return's (Form OA) due date.
- DOR charges an additional 20 percent penalty on any tax due as of the due date if you file Form OA more than one month late.
- DOR may charge a 100 percent penalty on any tax due if you don't file Form OA Domestic for three years in a row.

## Workers' Benefit Fund (WBF) assessment

DCBS may charge a late-filing penalty if you make your payment or file your Form OA Domestic after the due date. DCBS may charge a civil penalty of up to \$2,000 for each violation if the payment or Form OA Domestic is not filed on time. Penalties are charged at 10 percent of the outstanding balance, with a minimum of \$50 for each violation.

Also, if your account is audited for failure to report or for inaccurate reporting, DCBS may charge up to \$2,000 for failure to respond on time to notices and orders related to audit findings.

# Interest

## Unemployment insurance (UI) tax

OED assesses interest on unpaid or late UI tax. The rate is 1.5 percent per month or fraction of a month after the payment is due.

Payments are due by the last day of January each year if you file annually. Quarterly filers must also pay quarterly. Interest is assessed if the payment is one day late. Calculate interest on unpaid tax only. Don't calculate interest on previously assessed interest or penalties.

## State withholding

DOR charges interest on any remaining tax left unpaid after the due date. DOR will bill for this interest, so you don't need to calculate interest due.

## Workers' Benefit Fund (WBF) assessment

DCBS charges interest on unpaid WBF assessments. The rate of 9 percent per year may be charged on all overdue balances. If your account is assigned for collection, you will be responsible for paying the collection fee.

# Credits

## To apply a credit in the same tax program

You may use Form OA to apply an amount that you overpaid if you haven't already requested or been issued a refund. Add the credit to any prepaid amount in the correct box on Form OA (box 6A, 6B, or 12) to reduce the balance owing.

## To apply a credit to another tax program

Send a written request to the agency with the credit. Include your account name, BIN, tax program, year, and amount of the credit. Write the tax program and year to which you want the credit

applied. Attach any notices or memos you received about the credit. Don't use Form OA to transfer credits between programs.

## To request a refund

Send a written request to the agency with the credit. Include your account name, BIN, the word "Refund," and the amount to refund. Attach any notices or memos you received about the credit. Don't use Form OA to request a refund.

# Oregon Annual Tax Report (Form OA)

## Employer information section

Before you complete Form OA Domestic, review your name, mailing address, Oregon business identification number (BIN), and federal employer identification number (FEIN) to make sure they are correct. Make corrections on the *Business Change in Status Form* included at the end of this booklet.

The North American Industry Classification System (NAICS) code is assigned by OED. If you have questions regarding these codes, call 1-800-262-3912, ext. 7-1248 (toll-free within Oregon) or 503-947-1248.

## Number of covered workers for state unemployment insurance (UI)

If you have questions on how to count workers, call 1-800-262-3912, ext. 7-1248 (toll-free within Oregon) or 503-947-1248.

To report number of workers, use the totals for each month in the fourth quarter only (October, November, and December). Include all full-time and part-time workers who worked or received pay subject to unemployment insurance law during the payroll period which includes the 12th of the month. Some examples include:

- **Daily pay period.** Enter the number of workers on the daily payroll for the workday nearest the 12th of the month.
- **Weekly, bi-weekly, or semi-monthly pay period.** Enter the number of workers on the payroll for the period that includes the 12th of the month.

- **Monthly pay period.** Enter the number of workers on your monthly payroll.
- If there were no covered workers during any pay period, enter zero "0" in the appropriate boxes. Don't leave these boxes blank.

Add the numbers for the three months and place the sum in the **Total** (October + November + December) box.

## OA columns

In each column:

- Enter the total annual subject wages paid for each tax program. If you have questions, refer to the specific program information in this booklet; and
- Enter the total tax owed to each state program. If any of the amounts are less than or equal to zero, enter "0". If you have credits, see the Credits section above.

## Column A. Unemployment Insurance (UI)

**Box 1. Subject wages.** This amount must equal the sum of all four quarters from line 1 (total subject wages) on Form(s) 132-Domestic. Include all wages even those exceeding the taxable wage base for UI reporting purposes. Enter "0" if you had no subject payroll for the year.

**Box 2. Excess wages.** Excess wages are wages above the taxable wage base for the year *per employee*. Yearly taxable wage bases are:

2011 = \$32,300	2008 = \$30,200
2010 = \$32,100	2007 = \$29,000
2009 = \$31,300	2006 = \$28,000

**Box 3. Taxable wages.** Enter box 1A minus box 2A.

**Box 4. Tax rate.** Use the estimated 2010 tax rate. If you are subject to UI tax and no rate is printed, call OED, 503-947-1488.

**Box 5. Total tax.** Multiply box 3A by box 4A. Round down to the nearest cent and enter the tax amount. Enter “0” if you had no UI tax due.

**Box 6. Tax prepaid.** Enter the amount of UI tax prepaid or credits used. Include any UI credit amount that may have been overpaid where no refund was requested or issued.

**Box 7. UI penalty and interest owed.** Enter the amount of penalty and interest owed if the report is submitted more than 10 days after the due date. To calculate the penalty, multiply the number of employees by:

2011 = \$6	2010 = \$6
2009 = \$6	2008 = \$6
2007 = \$6	2006 = \$6

The minimum and maximum penalties are:

<u>Minimum</u>	<u>Maximum</u>
2011 = \$80	\$1,600
2010 = \$80	\$1,600
2009 = \$80	\$1,600
2008 = \$75	\$1,500
2007 = \$75	\$1,500
2006 = \$70	\$1,400

If there were no employees, the penalty is \$5.

To calculate interest owed, multiply the unpaid tax owed by 0.015 for each month or fraction of a month after the date the payment is due. Interest is assessed even if the payment is one day late.

When calculating interest, use only the amount of unpaid tax. Don’t calculate interest on previously assessed interest or penalties.

**Box 8. Total due.** Enter box 5A minus box 6A plus box 7A. If the amount is less than zero, enter “0”.

### Column B. State withholding

**Box 1. Subject wages.** Enter total wages subject to income tax (salaries, commissions, and bonuses), paid to Oregon employees.

- This amount need not match box 1A.
- Enter “0” if you had no subject payroll for the year.

**Box 5. Total tax.** Enter total Oregon income tax withheld this year. Enter “0” on the wage and tax line if you had no withholding tax this year. Only numerical information entered in the state withholding tax column will be considered a filed return for that program.

**Box 6. Tax prepaid.** Enter the amount of withholding tax prepaid. Include any withholding credits used.

**Box 8. Total due.** Enter box 5B minus box 6B. If the amount is less than zero, enter “0”.

### Workers’ Benefit Fund (WBF) assessment

**Box 9.** The majority of domestic (in home care) employers and their workers are not subject to the WBF assessment. **Before reporting hours in Box 9,** you may wish to verify with Workers’ Compensation Division (503-947-7815 or 888-877-5670) whether your workers are subject. If not, please leave boxes 9-13 blank. If your workers are subject, total all full and partial hours worked by all paid individuals who are subject to Oregon’s Worker’s Compensation law or covered by workers’ compensation insurance through personal election.

Enter the total hours rounded down to the nearest whole (no fractions or decimals). If you have no workers’ hours to report, enter “0”.

Note: The hours you report for the WBF assessment won’t necessarily equal the hours you report for UI tax purposes on Form 132. In part, this is because there may be differences in who is subject to which tax.

Visit [www.oregon.gov/dcbs/fabs/wbf.shtml](http://www.oregon.gov/dcbs/fabs/wbf.shtml) or call 503-378-2372, for more information.

**Box 10. Assessment rate.** Employers contribute one-half of the hourly assessment amount and deduct one-half from workers’ wages.

Yearly WBF assessment rates are:

2011 = .028	2010 = .028
2009 = .028	2008 = .028

**Box 11.** Multiply box 9 times box 10. Round down to the nearest cent. This is the total WBF assessment due. If no assessment is due, enter “0”.

**Box 12.** Enter the amount of prepaid WBF assessment or WBF assessment credits used.

**Box 13.** Subtract box 12 from box 11. This is the net WBF assessment amount due. This amount should match the amount you enter in the “Workers’ Benefit Fund Assessment” box on Form OTC. If the amount is less than zero, enter “0”.

**Box 14. Total payment due.**

- Enter total payment due.
- Add boxes 8A, 8B, and 13.
- If you have credits, see page 8.

Make your payment to DOR using EFT, or make your check payable to “Oregon Department of Revenue.” If you pay by check, include a payment coupon (Form OTC).

**Box 16. Special payroll tax**

Multiply box 3A by the amount list for the year you are filing for. Don’t add or subtract this

amount from boxes 5A or 14. Employers not required to pay FUTA are not required to complete this section. See page 12 for more information on the special payroll tax.

Yearly offsets are:

- 4<sup>th</sup> quarter of 2011 = .0009
- 4<sup>th</sup> quarter of 2010 = .0009
- 4<sup>th</sup> quarter of 2009 = .0009
- 4<sup>th</sup> quarter of 2008 = .0009

**Signature**

The tax preparer needs to sign Form OA Domestic on the signature line and include a telephone number and the date the form was prepared. A signature is required even if you file a “0” report.

## Domestic Employee Detail Report (Form 132)

Complete only if you pay unemployment insurance tax.

**Line 1. Total subject quarterly wages.** Enter the total subject wages for all employees for each quarter. If you use more than one page of Form 132, enter the total amount on page 1 only. This figure (total for all pages and all quarters) must equal the amount in box 1A on Form OA Domestic.

**Column 2. Social Security number.** Enter the Social Security number for each employee reported.

**Column 3. Employee name.** Enter the first initial and last name of each employee reported.

**Column 4. Hours worked during each quarter.** Enter the number of hours the employee worked in each quarter. If you don’t track hours for a full-time employee, use 520 hours for the quarter. **For fractions or portions of an hour worked by an individual,** round up any portion of an hour to the nearest whole hour.

Report the actual number of hours worked. This is straight time and overtime. Don’t report hours paid for sick leave, vacation leave or any other hours paid where no work was performed. Even though these hours are not reported in column 4,

wages paid are still reported as subject wages in column 5.

Report hours in the quarter worked and wages in the quarter paid.

**Note:** The number of hours worked subject to unemployment insurance doesn’t need to equal the number of hours reported for Workers’ Benefit Fund assessment.

Enter “0” for an employee who didn’t work during the quarter, but received wages (**don’t leave blank**).

If you need to adjust hours worked in a previous year, file an amended Form 132 Domestic (see page 5).

**Column 5. Wages for each quarter.** Wages are reported in the quarter paid to the employee, regardless of when earned. Enter the total subject wages paid to each employee during the quarter regardless of whether the employee’s wages were more than the taxable wage base.

Don’t use this report to correct wages for another year. File an amended Form 132 Domestic (see page 5).

**Box 6. Column totals.** Enter the total subject wages for all employees reported in each quarter. Don’t include the totals from other pages on this form.

# Unemployment Insurance (UI) Tax Information

## Subject wages

Generally, wages reportable for Federal Unemployment Tax Act (FUTA) purposes are reportable for Oregon UI tax. All wages, including draws, are reportable when paid to the employee. For example, wages paid January 2011 for work performed in December 2010 are reportable in 2011.

An employee is any person (including aliens or minors) employed for pay by any employer subject to OED law (ORS 657.015). This includes contract, casual, or temporary labor.

“Wages” means all compensation for service, unless specifically excluded by law.

The following are examples of subject wages:

- Wages paid in cash.
- Taxes paid on behalf of an employee. This includes withholding and the employee’s half of Social Security and Medicare.
- Other cash payments made on behalf of an employee such as tuition, auto repair bills, credit card payments, and student loans.
- Special payment for services, such as commissions, fees, gifts, bonuses, prizes, separation allowances, guaranteed wage payments, vacation, sick pay and holiday pay.

## Excluded wages

Examples of payments that aren’t subject to UI tax under UI law are:

- Payments to a proprietor or the proprietor’s child under 18, spouse, or parent.
- Noncash payments
- Sick pay under workers’ compensation law.

## Unemployment insurance (UI) tax payments

All payments must be sent with a payment coupon (Form OTC). Enter the amount paid in the “State Unemployment Insurance Tax” box. When there is more owed than taxes, payments are applied first to legal fees, penalties, and interest. The remainder is applied to tax owed.

## Employer Account Access

You can review your UI tax account information at [www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax). Click on “Your

Account Information Center,” read the instructions then click on “Continue to Employer Account Access.” Enter the information to register your personal identification number (PIN).

## Special payroll tax

The UI tax program is authorized to collect a special payroll tax that is calculated every quarter. This isn’t an additional tax. Employers subject to federal unemployment insurance tax (FUTA) must deduct the special payroll tax from the total state unemployment tax to determine the amount reported as “contributions paid to the state unemployment fund” on *Federal Unemployment (FUTA) Form 940* worksheet, line 10.

The special payroll tax funds the Wage Security Fund (BOLI) and the Supplemental Employment Department Administration Fund (SEDAF). The BOLI fund pays final wages when a business closes and doesn’t have enough money to make final payroll. The SEDAf fund provides OED services.

**Example 1:** An employer has a tax rate of 3 percent (0.03). In the second quarter, the experience rate will be 2.91 percent (0.0291), which is the tax rate less the 0.09 percent (0.0009) special payroll tax offset.

**Example 2:** Employers with the highest state unemployment tax rate, 5.4 percent (0.054), should not calculate the amount of the special payroll tax offset. The employer should use the unadjusted amount of taxes paid to the state as “contributions paid to your state unemployment fund.”

“Contributions actually paid to the state” should equal the amount found on line 17 of Form OA. If the amounts paid were less than owed, report the amount actually paid. Download Form 940 from [www.irs.ustreas.gov](http://www.irs.ustreas.gov), or get it by calling the IRS, 1-800-829-3676.

## Exemption from UI tax

An employer who doesn’t have enough employment or payroll may qualify for exemption from UI tax per ORS 657.415. To apply for the exemption, file a written request with the director of OED. If approved, the exemption will continue until the employer again qualifies as an employer as defined in ORS 657.

# Withholding Tax Information

## Who is a household employee?

This information applies only if you pay someone for household work and that worker is your employee. Household work is work done in or around your home by babysitters, nannies, health aides, private nurses, maids, caretakers, yard workers, and similar domestic workers.

A household worker is your employee if you can control not only what work is done, but also how it is done.

If only the worker can control how the work is done, the worker is not your employee but is self-employed. A self-employed worker usually provides his or her own tools and offers services to the general public in an independent business. If an agency provides the worker and controls what work is done and how it is done, the worker is not your employee.

## Should Oregon income tax be withheld from a household employee's pay?

Oregon income tax withholding is not required for household employees. However, Oregon income tax can be withheld if the household employee **asks** you to withhold and you **agree**. In order to

determine withholding, the employee must complete federal *Form W-4, Employee's Withholding Allowance Certificate*.

## Figuring withholding tax

All Oregon employers must withhold tax from employee wages (including draws) at the time employees are paid. Taxes are withheld and reported in the quarter the employee is paid.

To figure the amount of tax to withhold from an employee's wages:

- Use the Oregon withholding tax tables (see DOR on page 2).
- For computer payroll systems, use the percentage formula in the Oregon withholding formula publication (see DOR on page 2).

## Transit district tax information

Domestic service in a private home is exempt from the Tri-County Metropolitan Transportation District (TriMet) and the Lane Transit District (LTD).

# Workers' Benefit Fund Assessment Information

## The Workers' Benefit Fund

The Workers' Benefit Fund supports programs that benefit injured workers and the employers who help them return to the work force. Visit the DCBS website for more information about programs supported by the fund (see page 2).

**Note:** The WBF assessment is separate from your workers' compensation insurance premium and doesn't provide insurance coverage.

## Workers subject to WBF assessment

There are few domestic workers in Oregon that are subject to the WBF assessment. The only domestic workers subject to the WBF assessment are:

- Those for whom the employer is required by law to provide workers' compensation insurance coverage (e.g. those employed by sororities and fraternities); and

- Those for whom the employer elects to provide workers' compensation insurance coverage even though not required by law to do so.

If you aren't required by law to have workers' compensation insurance for your workers, and you don't choose to cover yourself or anyone else with workers' compensation insurance, you aren't subject to the WBF assessment.

For each calendar year that you do have subject workers or covered nonsubject workers, you must file a Form OA Domestic to report hours worked. In addition, for each calendar year you have coverage, but no workers, you must file a Form OA Domestic to report "0" hours worked and "0" assessment due. If you don't file a Form OA Domestic during the time you have subject workers or personal elections, you may be assessed a penalty.

Before you report and pay the WBF assessment, if you have questions about whether your domestic workers are subject, contact DCBS (see page 2).

### **Hourly assessment**

This assessment is based on the total number of full and partial hours worked by all paid individuals who are subject to the assessment. Like wages, the hours are reportable when paid.

For example, hours worked in December 2010 but not paid until January 1 are reportable in 2011. The hourly assessment rate may change annually (see page 9).

### **How to update or close your Workers' Benefit Fund assessment account**

If your business changes ownership, discontinue business, or no longer employs workers, complete a *Business Change in Status Form*. In addition, contact your workers' compensation insurer with the corrected information.



NOTES: