

Employer Handbook



Employer Services
Employer Tax Information
UI Information
Child Care Services



The MISSION of
The Oregon Employment Department
Support Business & Promote Employment

How we accomplish that mission:

- Support economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits.
- Serve businesses by recruiting and referring the best qualified applicants to jobs, and provide resources to diverse job seekers in support of their employment needs.
- Develop and distribute quality workforce and economic information to promote informed decision making.
- Provide access to child care that is safe, high quality, and affordable.

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OVERVIEW

We understand that employers face unique workforce needs. As an active partner in the development of the state's workforce, we are interested in identifying your workforce goals and issues. That's the driving force behind the department's mission to support business and promote employment. We want to provide customized workforce solutions that help employers reach their goals and resolve workforce issues.

The Employment Department is an active partner in WorkSource Oregon, a network of public and private partners working together for businesses and workers. WorkSource Oregon partners connect businesses with the local resources they need to grow their businesses and train their workforce.

The WorkSource Oregon Employment Department serves employers by providing qualified applicants for employers; supplying statewide and local labor market information; and providing unemployment insurance benefits to workers temporarily unemployed through no fault of their own. The Employment Department's Child Care Division promotes and regulates child care. The department offers a number of services. It serves employers through timely recruitment of a qualified workforce, customizing state and local labor market information for use as a business planning tool, and by offering job-matching services based on the need of each employer.

These services can reduce your recruitment costs, save you valuable time and money, stabilize local economies during times of economic slowdown, and provide quality information for informed decisions.

The department recognizes and appreciates the contributions employers make to the development of Oregon's workforce. The services outlined in this handbook are mostly funded and supported by employer payroll taxes.

BUSINESS & EMPLOYMENT SERVICES

Recruitment Services at No Additional Charge

You can reduce your personnel recruitment costs and get great exposure for your job listings by using our Business & Employment Services. Our business resources include an award-winning on-line recruiting tool, recruiting assistance, Web advertising for your openings, use of facilities for recruitment, and financial incentives that help your bottom line.

iMatchSkills – Award Winning Online Matching Tool

- Assistance in matching your job skill requirements to qualified applicants
- Several recruiting options; you choose how applicants make contact
- Local, statewide, national, or international exposure
- Internet exposure on our Web site
- Access to Oregon's largest single source of applicants, including veterans
- Fast answers to your questions about services and employment issues
- Pre-paid services

Join thousands of other Oregon businesses that reduce their costs and save time by listing with the WorkSource Oregon Employment Department. Visit us online at www.WorkingInOregon.org or we are listed in the government pages of your local telephone directory.

Oregon Employer Council

The Oregon Employer Council (OEC) is a partnership between Oregon businesses and the Oregon Employment Department. Employers volunteer to give feedback to the Employment Department on all services and programs. OEC advises the agency on service delivery, labor market information, workforce needs, and other topics relevant to business. This alliance results in improved services and allows business to provide direction on the services that FUTA (Federal Unemployment Tax Act) taxes fund.

The local employer councils in Oregon offer high-quality, low-cost business seminars on a regular basis. The seminars address topics such as legal issues in the workplace, employee handbook writing, drug and alcohol policies, conflict resolution, time management, and the unemployment insurance process. Local OEC councils also award scholarships and veterans' assistance.

A free lending library is available to OEC members. The library features more than a thousand titles on everything from recruitment to health and from computing to finance.

OEC local councils represent more than 1,000 businesses and thousands of employees. Members represent large and small companies from every industry in Oregon. OEC is a public/private collaboration designed to improve customer service and encourage fiscal responsibility.

For more information, contact the OEC coordinator at your local Employment Department office or call the state coordinator, 503 947-1305.

Find additional information by visiting www.WorkingInOregon.org/oec

Work Opportunity Tax Credit (WOTC) & Welfare to Work

The purpose of these programs is to encourage you to hire certain target-group members by offering a federal tax credit. The maximum credit is \$2,400 for WOTC. This is based on 40% of the first year's wages up to \$6,000 for each certified target group member hired. To obtain the 40% rate, your new hire must work a minimum of 400 hours. If your employee works at least 120 but less than 400 hours, the tax credit is 25% of the wages paid up to a maximum of \$6,000. The same percentage rates and hours worked apply to eligible summer youth. However, the qualified wages must be paid in a 90-day period between May 1 and September 15 and are limited to the first \$3,000 of wages. For more information, visit www.OregonTaxCredit.org. You can receive a Welfare-to-Work Tax Credit of 35% in the first year, and 50% during the second year for the first \$10,000 of qualified wages paid to eligible new employees who worked at least 400 hours or 180 days during each of those years. The maximum tax credit is \$8,500 for each eligible person hired. For more information, visit www.OregonTaxCredit.org.

What are the target groups?

1. Qualified ex-felons
2. Temporary Assistance for Needy Families (TANF) recipients
3. Food stamp (FS) recipients 18 to 24 years of age
4. High-risk youth 18 to 24 years of age (Josephine and Multnomah counties)

5. Summer-youth employees 16 to 18 years of age (Josephine and Multnomah counties)
6. Veterans (recent TANF/Food Stamp recipients)
7. Vocational Rehabilitation referrals
8. Supplemental Social Security income recipients

How can you participate?

Prior to being offered a job, the applicant fills out and signs the front of an IRS Form 8850. If you believe that the applicant is eligible under one of the target groups, you complete and sign the back of the Form 8850. You also fill out and sign a Department of Labor Form ETA-9061. Send the two forms to the Oregon Employment Department, 875 Union St, NE, Salem, OR 97311 within 21 days of the applicant starting work. If the new employee is eligible, a certification will be issued to you.

Contact the Oregon Employment Department at 1-800-237-3710 and ask for the WOTC unit or call your nearest Employment Department office to obtain copies of the IRS Form 8850 and the Department of Labor Form ETA-9061. You can also download the forms from <http://www.irs.gov/pub/irs-pdf/f8850.pdf> and <http://www.uses.doleta.gov/pdf/eta9061.pdf>

Foreign Labor Certification Program

Employers who cannot find sufficient able, willing, and qualified U.S. workers to fill their labor needs can contact the Oregon Employment Department Labor Certification Unit for assistance. This program is operated in conjunction with the

U.S. Department of Labor to certify workers for temporary and permanent labor needs. The process assures that adequate recruitment has been done to find qualified U.S. workers and that the hiring of foreign-national workers will not adversely affect wages and working conditions of U.S. workers. Please visit our Web page at www.workinginoregon.org/aliencert for program details and forms. For staff assistance call 1-800-237-3710 and ask for the Foreign Labor Certification Unit.

Veteran Services for Employers

What does the Veterans' Program offer me?

As veterans leave the armed forces, thousands of highly trained and qualified workers are coming back into the civilian labor pool. The WorkSource Oregon Employment Department's veterans' representatives work with employers who want to hire the best trained workforce in the country.

Veterans seeking work apply for services with the Employment Department and their information is placed into iMatch-Skills, our award-winning online match system. The program matches the veteran's skills with job requirements of listed openings. Veterans are given priority service by law. They are the first considered for openings and the best qualified veteran applicants are referred to employers.

Veteran representatives help veterans find employers who have openings. They may also contact employers to talk about veterans gaining skills through an on-the-job training program.

Veteran's Administration Vocational Rehabilitation Programs

Your business may be eligible for Veteran's Administration Vocational Rehabilitation approved on-the-job-training or apprenticeship programs. The on-the-job-training program reimburses you for wages paid to qualified veterans who are in training. We also offer recruiting assistance to federal contractors to meet veteran-related affirmative-action plans. For more information, visit www.vba.va.gov/ or contact your local veterans' representative.

Who can I contact to hire a veteran or list a job opening?

To contact your nearest WorkSource Oregon Employment Department office, visit www.WorkingInOregon.org and click on "Office Locations" or look in the government section of your phone directory. Ask to speak to a veterans' representative.

If I am a federal contractor, do I have any special requirements?

Yes, federal contractors (for procurement of personal property or non-personal services including construction) who have a federal contract of at least \$100,000 with the federal government must take affirmative action to hire and promote qualified special disabled veterans and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. This requirement is covered under Title 38 chapter 42 of the US Code. We call this the Federal Contractor Job Listing (FCJL) requirement.

Work Share Program

The Work Share program offers an alternative to laying off employees. Under the program, instead of being laid off, employees work reduced hours and receive reduced unemployment insurance benefits. You may request to participate if you reduce your work week up to 40%. Work Share can affect your tax rates. For more information on the program, call 1-800-237-3710 ext. 7-1649, or in Salem, (503) 947-1649.

Tax Information

Financing the Unemployment Insurance Program

The money used to pay Oregon unemployment insurance benefits comes from Oregon employers' state payroll taxes. The taxes collected are deposited in a trust fund used to pay unemployment insurance benefits to unemployed Oregon workers.

- **Private, for-profit employers** (tax-paying employers) pay a quarterly tax directly to the State of Oregon.
- **State and federal agencies** must pay back (reimburse) the state for benefits paid to former employees.
- **Local governments, Indian tribes, and nonprofit employers** exempt under Internal Revenue Code 501(c)(3) may choose either to pay the tax or reimburse the state for benefits paid.

The money to administer the unemployment insurance program comes from a federal tax, created by the Federal Unemployment Tax Act (FUTA). The federal unemployment tax is assessed on all for-profit employers and is paid to the Internal Revenue Service. For more information concerning FUTA see page 26.

Employing Units and Subject Employers

An employing unit is any individual or organization that has or had one or more individuals performing services for it.

A subject employer is an employing unit required to provide unemployment insurance coverage for its workers.

Employers (other than agricultural or domestic employers) **that:**

- Pay \$1,000 or more to employees in a calendar quarter (a three-month period that begins January 1, April 1, July 1 or October 1),

or

- Have one or more employees in each of 18 weeks during a calendar year.

Employers that employ agricultural workers and:

- Pay \$20,000 or more cash wages in a calendar quarter,

or

- Have 10 or more employees on 20 days, each day being in a separate calendar week during a calendar year.

Employers that employ domestic workers in a private home, local college club or local chapter of a fraternity or sorority and:

- Pay \$1,000 or more in cash wages in a calendar quarter.

NOTE: Not everyone who meets the above criteria is a subject employer; certain exclusions exist. Please contact the Employment Department if you have any questions regarding your status. Call (503) 947-1488, option 5 or e-mail questions to taxinfo@emp.state.or.us.

Subject Employer Responsibilities

Employers are responsible for the following:

- Registering with the Employment Department by completing and sending a Combined Employer's Registration Report (Form 150-211-055) to the Oregon Department of Revenue. This form is available at any Employment Department Tax office. Or on the Internet go to www.oregon.gov/dor/bus/docs/211-055.pdf. Or call (503) 945-8091 or 800-356-4222.
- Posting the notice concerning unemployment insurance (Form 11) where employees can read it. The Employment Department mails this form (free of charge) to employers that are subject to Employment Department Law. This notice is available in English and Spanish. Order online <http://findit.emp.state.or.us/tax/forms.cfm> and go to Order Employer Forms or call (503) 947-1488, option 3.
- Keeping adequate payroll records which include:
 - Social Security numbers for each employee,
 - Proof of U.S. citizenship or authorization to work in the U.S. for all employees, and
 - Payroll records of when and how much each employee has been paid.
- Paying taxes or reimbursements when due.
- Filing the required quarterly reports or annual tax forms on time with complete information.
- Informing the Employment Department and Department of Revenue of any changes to the organization or its

status. The Change in Status form may be downloaded from the Internet www.oregon.gov/dor then go to Tax Forms. Or find the form in the back of Oregon Combined Tax Report packet or call (503) 947-1488, option 3. For more information on Change in Business Status see page 22.

Employees

Employment Department law defines an employee as any person, including aliens and minors, employed for any compensation under any contract of hire by an employer subject to the law.

The law does not cover some types of services, for example service performed by members of a limited liability company (LLC) or a partnership or by an independent contractor as defined by ORS 670.600.

Corporations

Generally, payments made to corporate officers are covered wages unless the service provided is excluded in another section of the law. However, officers of closely held family corporations may elect to exclude from unemployment insurance corporate officers that meet OAR 471.031.0017.

“... who are directors of the corporation, who have a substantial ownership interest in the corporation and who are members of the same family.

- (a) The term ‘substantial ownership’ means total family ownership equal to or greater than seventy-five percent of the corporation with each family member who is a corporate officer and director having ownership interest.

- (b) The term ‘family’ means two or more individuals related as parents, stepparents, grandparents, spouses, sons-in-law, daughters-in-law, brothers sisters, children, stepchildren, adopted children or grandchildren.
- (c) The election not to provide coverage shall be in writing and shall be effective on the first day of the calendar quarter in which the election was filed, or a later date when so specified in the election.”

To qualify for the family corporate officer exclusion, ***an election must be made in writing*** to the Employment Department. The Family Corporate Officer Exclusion Request (Form S95) may be found in the back of Oregon Combined Tax Report packet or downloaded from <http://www.oregon.gov/EMPLOY/TAX/TaxDocs.shtml>. Or call (503) 947-1488, option 3. The department will notify the employer in writing whether the election is approved or denied.

Taxable Employee Wages

The taxable wage base is the maximum amount of an employee’s wages subject to tax. The taxable wage base can vary from one year to the next. For more information go to <http://www.oregon.gov/Employ/Tax/>. Amounts paid above the taxable wage base are “excess wages.” You must report all wages paid to each employee whether taxable or not.

Wages include all cash and non-cash remuneration for employment. For agricultural and domestic employment, report only cash wages paid.

Forms for Filing Tax Reports

Employers are required to file an Oregon Quarterly Tax Report (Form OQ) each calendar quarter. Domestic employers may choose to file annually using Oregon Annual Tax Report (Form OA).

Form OQ -

The Oregon Quarterly Tax Report (Form OQ) is used to determine how much tax is due each quarter for state Unemployment and withholding; the Workers' Benefit Fund; and TriMet and Lane Transit excise taxes.

The information required on this report includes the total subject wages, excess wages, taxable wages, the UI tax rate and the computed amount of tax. If you know the amounts, interest and penalties may also be added.

Oregon Schedule B -

Use this form only if state income tax withholding deposits are required to be submitted semi-weekly or on a one-banking day basis. File Oregon Schedule B with Form OQ.

Form 132 -

An Employee Detail Report (Form 132) is required for each quarter you have Oregon employees. Use this form to report the total gross wages of each employee. The Form 132 is filed along with the OQ.

Form OA -

The Oregon Annual Tax Report (Form OA) is used to report domestic employees. They are mailed out prior to November 15 of the year and are due by January 31 of the following year. Employers of domestic employees may also choose to report quarterly. To do so, file quarterly reports

starting with the first quarter of the year. You may not switch back to annual reporting until the following calendar year. Domestic employers that file quarterly are also required to pay the tax quarterly.

Form WR -

The Oregon Annual Withholding Tax Reconciliation Report (Form WR) is used to reconcile your state withholding at the end of each year.

Form OTC -

The Oregon Tax Coupon (Form OTC) is submitted with each payment, even if it accompanies an OQ. These coupons are mailed in December to employers who do not use electronic funds transfer.

For information about electronic funds transfer (EFT) on the Internet go to <http://www.oregon.gov/dor/bus>, then go to the link More information about EFT. For more assistance, call the EFT help line 503-947-2017.

Form 013 -

The Change in Status Report (Form 013) is used to report changes in your business, such as entity or address changes, or to close your payroll reporting account. Employers are required to notify the Employment Department of any changes in their business entity.

Reporting Methods

Oregon offers three methods of reporting payroll tax electronically: OTTER, SETRON and IVR. These systems benefit both employers and the State by saving time and reducing mistakes. Reports are prepared, sent, and received electronically eliminating lengthy processing time and repetitive keying of data.

OTTER – The Oregon Tax Employer Reporting System is the software version of the Oregon Combined Payroll Tax Report. It may be downloaded from the Internet go to <http://www.oregon.gov/EMPLOY/TAX/OTTERhome.shtml>. If you are unable to download a large file, you may request the software on CD by ordering it at <http://findit.emp.state.or.us/tax/forms.cfm> or by calling (503) 947-1488, option 3.

If you use one of the electronic reporting systems you will not receive paper forms in the next year.

Once installed, OTTER leads you through the process step-by-step. You can import data from your computer files into the tax reports and copy wage data from one quarter to the next. The system reduces workload and mistakes by reducing repetitive entries, performing calculations, finding mistakes, and displaying informational windows that allow you to correct problems before the report is sent. There is no limit on number of employees or total payroll. All reports are encrypted for security.

SETRON - Secure Employer Tax Reporting Online- You can complete your quarterly report on the Web site and send it to us electronically regardless of computer brand or operating system. The Web site for SETRON, with a link to the instructions, is: <http://www.oregon.gov/EMPLOY/TAX/setronmain.shtml>.

SETRON leads you through the forms required to file your quarterly payroll tax report. Information automatically pre-fills into the report as you work through the forms. The program calculates taxes due for all tax programs. When the report is completed, you may print paper cop-

ies for your own files then submit your finished report over the Internet. You can start reporting through SETRON at any time, no registration or pre-approval is necessary.

IVR – Interactive Voice Response telephone reporting– If you have a quarter with no payroll, you may file the report by telephone anytime day or night. Have your Business Identification Number on hand and call (503) 378-3981 using a touch tone telephone.

The automated voice system leads you through the process step-by-step and repeats your response so errors are virtually eliminated. You can file “No Payroll” reports for the current quarter or past quarters. The system allows you to select the quarter and the year then verifies which quarter or quarters you are reporting.

An alternative method of submitting a no-payroll report using OTTER or SETRON is to place a “0” (zero) in the “Subject Wages” box of each tax program, and place a “0” in the “Hours Worked” box of the Workers Compensation Assessment.

NOTE: We provide technical support for electronic reporting methods. Call the help line 503-947-1544, option 6, or you may e-mail your question to taxinfo@emp.state.or.us.

Oregon Combined Payroll Tax Report
Paper packets are mailed each year in February. You will not receive a packet if you file reports using a payroll reporting service, such as ADP, Paychex, or Ceridian, or if you report using one of the electronic reporting methods.

Oregon Combined Payroll Tax Report packets contain the following:

- Oregon Quarterly Tax Report (Form OQ - one for each quarter)
- Employee Detail Report (Form 132 - one for each quarter). Employers who have more than 20 employees should order additional forms.
- Oregon Schedule B (one for each quarter)
- Order Request Form
- Change In Status Report (Form 013)
- Oregon Annual Withholding Tax Reconciliation Report (Form WR).

NOTE: Quarterly reports and payments are due each quarter, even if you have not received the report packet or coupons.

If you have not received your report packet by March 1, call (503) 947-1488, option 3 to order. You may also request a packet by e-mail at taxforms@emp.state.or.us, or on the Internet go to <http://findit.emp.state.or.us/tax/forms.cfm>.

Requirement to File Quarterly Reports

All employers subject to Oregon Unemployment Insurance tax are required to file the Oregon Quarterly Tax Report (Form OQ) each quarter, even if there were no employees. Failure to file when an account is active could result in penalties. The Employee Detail Report (Form 132) is required for each quarter during which you had Oregon employees.

If your business had been inactive and then hired employees again, call (503) 947-1488, option 5.

Changes in Business Status

You must notify the Employment Department and the Oregon Department of Revenue when changes are made in the organization or the status of your business. The Change in Status (Form 013) is included in the paper packet, or it may be downloaded from the Internet at <http://www.oregon.gov/EMPLOY/TAX/TaxDocs.shtml>.

The following are examples of changes that would be reported on the Change in Status Report:

- Sale or lease of business;
- Dissolution of a partnership;
- Formation of a new partnership;
- Dissolution of a corporation;
- Formation of a new corporation;
- Death of an owner or partner;
- Closing of a business; or
- Any other changes in the legal standing of a business.

If you acquire all or part of a business, you will need to complete a new Combined Employer's Registration (Form 150-211-055). In the case of a transfer of a business the Employment Department will review the registration to determine if the new business will inherit the tax rate and experience of the previous owner. The Combined Employer's Registration is available from the Employment Department or on the Internet at <http://www.oregon.gov/DOR/BUS/docs/211-055.pdf>. If you have purchased all or part of a business and have questions, please call us at 503-947-1488, option 5.

Penalties and Interest

Late filing penalties are assessed when your quarterly tax reports (Form OQ or OA) or your Employee Detail Reports

(Form 132) are filed after the due date. The late filing penalty for the year may be found on our Web site www.oregon.gov/Employ/Tax, under Employer Links click on Employer Responsibilities. Then click on Payments, Reports, Penalties & Interest. Unemployment tax payments are due on the last day of the month following the end of the quarter. Reports, that are not in proper format or missing data, may be returned.

Interest at 1.5% per month (18% per year) will be assessed on taxes that are paid after the due date. In addition, a penalty of 10% on the tax due may also be assessed.

Accounts with delinquent reports or with taxes due on September 1 of each year may be assessed an additional penalty of 1% of the prior year's taxable payroll.

Tax Rates

Tax rates are computed for each business individually, based on experience with unemployment insurance benefit charges and taxable payroll. The experience includes the charges for unemployment benefits paid and taxable payroll of any business you took over. Generally, tax rates are inherited when one business takes over another.

New businesses are assigned the base tax or "new employer" rate. Tax rates based on "experience" may be higher or lower than the base rate. They are assigned after the business establishes its own history for a minimum of two calendar years.

Employers with lower unemployment charges in comparison to taxable payroll are assigned lower tax rates. Conversely, employers with higher charges in comparison to their taxable payroll will have higher tax rates. The formula to calculate the tax rate, shown below, uses data from the last three years. The first step is to compute the "Benefit Ratio." The closer the benefit ratio is to 0.000000, the lower the tax rate.

$$\frac{\text{Total Charges to your Account}}{\text{Total Taxable Payroll}} = \text{Benefit Ratio}$$

(Carried to six digits)

Benefit ratios are then compared to the current year's Experience Rating Schedule (Pub. 8) to determine the tax rate.

Tax Rate Notices for the current year go out to each employer by November 15 of the previous year.

Your unemployment insurance tax rate is preprinted on the Oregon Quarterly Tax Report (Form OQ) sent in February of each year if you request paper forms. You may request a quarterly statement of charges from the Employment Department by calling (503) 947-1488, option 4. A monthly listing of former employees who began receiving unemployment insurance benefits during the preceding month is also available by calling (503) 947-1341.

How Charges Are Determined

Employers' accounts are charged for unemployment benefits paid on wages attributable to them during the claimant's base period. If a claimant worked for more than one employer during that period, the charges are divided between the employers in proportion to the wages they paid. As an example, if a claimant

was paid \$20,000 during his base period, and employer A paid him \$15,000 and Employer B paid \$5,000, then three quarters of the claimant's unemployment benefits would be charged to Employer A, and one quarter would be charged to Employer B.

Notice of Claim Determination

When a former employee files a new claim for benefits or an existing claim is re-determined, base period employers receive a Notice of Claim Determination (Form 197). *For more information on the base year see page 28.* Use Form 197 to state the reason the former employee is no longer employed.

Form 197 shows the potential charge to your account, which is not an amount due. It is the maximum amount that could be charged to your account if the entire amount of benefits the claimant is eligible for is paid. We use only your share of the actual benefits in the experience rating process.

Some charges can be relieved

You may request relief of charges by checking the box on the Form 197 and returning it to the Employment Department. A Form 197 requesting relief of charges must be postmarked, faxed or personally delivered to the Employment Department no later than 30 days after the date the form was mailed to the employer.

Send in a request for relief of charges if you believe it is warranted and you have not previously received relief of charges on the claim. Specific information about relief of charges is printed on the back of Form 197. In some cases, your account

is relieved of charges automatically without advance notice.

NOTE: Although Oregon law does not provide for relief of charges for reimbursing employers, the Employment Department investigates employer responses that question the claimant's eligibility for unemployment insurance. Our investigation may result in a denial of benefits, reducing charges to the reimbursing employer.

Federal Unemployment Tax Act (FUTA)

In addition to Oregon's unemployment tax, you pay a federal unemployment tax (FUTA tax) based on payroll. The FUTA tax is collected by the Internal Revenue Service to fund the administrative costs of the employment service and unemployment insurance programs throughout the country.

Timely Oregon Unemployment Tax Payments Reduce FUTA Tax

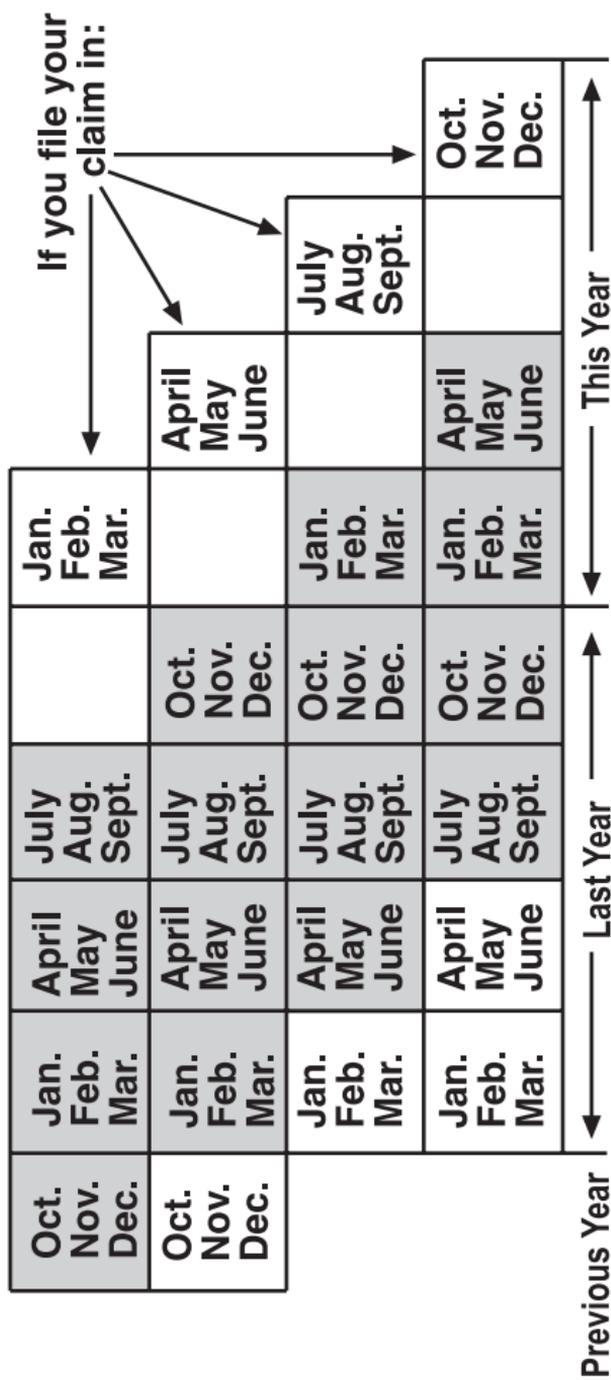
Paying all state unemployment taxes and filing all required reports by January 31 for the previous calendar year allows a credit against FUTA tax. The FUTA tax rate is 6.2% on the first \$7000 of an employee's wages. The maximum allowable credit is 5.4% resulting in a net payable FUTA tax rate of .8%.

Questions

If you have questions or need additional information, please contact one of the following:

- Call the Employment Department tax representative in your area
http://oregon.gov/EMPLOY/TAX/TaxOffices.shtml#Tax_Office_Locations;
- Visit our Web site at <http://www.oregon.gov/EMPLOY/TAX/OTTERhome.shtml>;
- Call (503) 947-1488, TDD/Nonvoice users 711; or
- E-mail at taxinfo@emp.state.or.us

Base period shown by shaded months



UNEMPLOYMENT INSURANCE BENEFITS

Unemployment Insurance benefits replace part of the income lost when a person becomes unemployed. This softens the impact job losses have on communities. Workers maintain purchasing power to support businesses in the area where they live.

Qualifying

A claim is based on a one-year period known as the base year. The base year is the first four of the last five calendar quarters completed at the time the initial claim is filed. The chart on page 28 illustrates the base year.

There are two ways to qualify:

- **First:** claimants qualify if they have employment and wages of at least \$1,000 in employment subject to unemployment insurance law AND total base year wages equal to at least one and one-half times the wages in the highest quarter of the base year.
- or,
- **Second:** if an individual does not qualify the first way, a person may qualify for benefits if he or she has wages and worked at least 500 hours during the base year of employment subject to unemployment insurance law.

Benefit amounts are set by law as a percentage of the wages received during the base year. The weekly benefit amount is

1.25% of the total base year wages but with a fixed lower limit of 15% and an upper limit of 64% of the state average weekly wage in covered employment.

A claim lasts for 52 weeks that make up the benefit year. This is the 12-month period beginning with the week they first file for benefits to set up a claim. Claimants may receive up to 26 weeks of benefits within the benefit year. Minimum claims may have fewer than 26 weeks available. They cannot file a new claim until after the 52 weeks.

Extended benefits may be paid beyond the 26 weeks during periods of high unemployment.

Disqualifications and Penalties

Receipt of unemployment insurance is based on eligibility, not need. A worker who worked enough during the base year may receive benefits if out of work through no fault of their own. The person must be able, available and actively seeking work.

Some reasons for disqualification, denial or reduction of benefits are:

1. Voluntarily leaving work without good cause, discharge or suspension for misconduct connected with work, or failing to accept a job offer or referral to a job without good cause. If disqualified, claimants must work and earn at least four times their weekly benefit amount. In addition, the total benefits a person can receive are reduced. As a general rule, the total reduction is eight times the person's weekly benefit amount for each disqualification.

2. Discharge because of a felony or theft connected with work. If disqualified, all benefit rights based on the wages earned before the date of discharge are canceled.
3. Being involved in a labor dispute. The claimant may be disqualified as long as the labor dispute continues.
4. Not being able to work, not being available for work, and/or not actively seeking work. This is a week-to-week denial. The disqualification ends when the claimant is able, available and actively seeking work.
5. Receipt of retirement pay from a base year employer. Retirement is deducted dollar for dollar from the weekly benefit payment.
6. School employees between terms and school years. Generally, school employees do not receive benefits based on school wages if they have reasonable assurance of returning to work when school re-opens.
7. Not having authorization to work in the United States. Benefits will not be paid unless a person has authorization to work in this country.
8. Fraudulently receiving benefits. Misrepresentation in order to receive benefits may result in a disqualification of up to 26 weeks and criminal prosecution.

Working and Receiving Benefits

A person is “unemployed” per unemployment insurance law when working less than full-time and earning less than their weekly benefit amount. A person may earn up to 10 times Oregon’s minimum wage or one-third of the weekly benefit amount (whichever is greater) before

benefits are deducted dollar for dollar from the weekly benefit amount. When working full time or earning more than the weekly benefit amount, the individual is not “unemployed” and not eligible for benefits.

Notice of Claim Filed

(Form 220)

When a person files or restarts a claim, the most recent employer receives a Notice of Claim Filed. If a claimant did not work and earn four times the weekly benefit amount from his or her last employer, we will also mail a Form 220 to the next-to-last employer. Mail or fax the Form 220 to the Employment Department within ten days after the date we mailed the form to protect your appeal rights.

Employment Department adjudicators investigate separation and eligibility issues. We rely on you, the employer, for much of our information about a claimant’s eligibility. Your timely response to the notice of claim filed form 220 entitles you to a decision you can appeal if an issue exists that may affect the person’s eligibility for benefits. If a claimant stopped working for you for any reason other than lack of work, provide details of the separation in the space provided on the form and use the back if necessary. Please be sure your information is correct and true. Willful false statements can result in additional charges against your account.

It is important that you respond to requests for separation information on former employees. The facts surrounding an employee’s separation can directly affect your tax rate because we decide to pay or deny claimants based, in part, on

this information. If you do not provide any information, the Employment Department will make a decision based on available information. Decisions to allow benefits affect all base year employers as their accounts may be subject to charges for benefits paid as a result of the person's most recent separation.

Inquiries from Other States

All states, the District of Columbia, Puerto Rico, the Virgin Islands, and Canada have unemployment insurance programs. People who work in one state often file for unemployment in another state. If you receive forms from another state or agency about a former employee, it is to your advantage to reply. It can affect charges to your account no matter where the claimant lives or files his or her claim.

Reporting a Job Refusal

A worker who refuses suitable work without good cause will be disqualified. The Employment Department has no way of discovering these issues unless you or the worker tell us. If you offer a job to someone who is claiming benefits, please let your local Employment Department office know at once if that person fails to accept the job or behaves in a way that causes you to withhold a job offer.

Fraud

We compare quarterly wage reports to records of unemployment benefit payments to find those people who work without reporting their earnings on their claims. This is called the cross-match system. We also look into issues brought to our attention from any other source.

We publicize our cross-match system, the penalties for fraud, and individual court convictions. This public information is an effort to discourage fraud. We credit the accounts of tax-paying employers for any benefits paid because of fraud. We credit reimbursing employers when the Employment Department recovers the benefits paid because of fraud.

When someone is denied for fraud, they are disqualified for up to 26 weeks (per occurrence) and are required to repay the money. If prosecuted and found guilty the individual could be fined, jailed or both.

HEARINGS

Purpose and Process

Every year the Employment Department issues thousands of administrative decisions. The decisions may concern unemployment taxes or the payment of unemployment insurance benefits. If you receive a decision and you disagree with it, you may request a hearing. File a request within the 20-day time limit, or within ten days if you are appealing a claim determination, to have a hearing.

We will mail to you notice of the date, time, and place of the hearing along with a pamphlet titled *How to Prepare and Present Your Case*.

Hearings are held by telephone conference call. The Office of Administrative Hearings (OAH) administrative law judges conduct the hearings.

The hearing process is simple. Individuals can represent themselves. During a hearing, both sides have a chance to present their cases and ask questions of any witnesses that appear. All testimony is taken under oath or affirmation. The decision of the administrative law judge is based solely on the facts presented at the hearing. It is important you participate in the hearing to make certain your side of the story is told.

If you cannot participate in the scheduled hearing, contact the OAH immediately. If you ask for a hearing but then fail to par-

ticipate, your appeal will be dismissed. You will receive a written decision approximately 14 days after the hearing.

You may also appeal the administrative law judge's decision. Unemployment benefit cases are appealed to the Employment Appeals Board, a three-person panel appointed by the governor. Tax cases are appealed to the Oregon Court of Appeals. These appeals are a review of the administrative law judge's decision based on the evidence presented at the first hearing. This is another reason it is so important to attend a hearing to represent your case. If you have questions regarding a hearing, contact the OAH at (503) 947-1515 or 1-888-577-2422.

LABOR MARKET INFORMATION

The Oregon Employment Department's Workforce & Economic Research Division's team of economists, workforce analysts, and researchers collect and analyze state-wide and regional labor market information and help businesses apply it. Through contact with business representatives, analysts provide concise, up-to-date information about the local and state economies and their effects on the workforce.

Research staff study labor force and related topics, supply data and analysis to new and expanding firms, and analyze occupational supply and demand. Besides offering general information, staff is available to produce special reports on request.

The research division also publishes and distributes such information, which is gathered through surveys sent to employers that spend valuable business time to provide the Oregon Employment Department with timely and accurate data.

Businesses, in turn, use this labor market information to identify challenges and opportunities. Economic development planners, educators and training providers, job applicants, legislators, and the news media also regularly rely on this information to learn about workforce issues that affect Oregonians.

Information on the Internet

The Oregon Employment Department maintains a nationally recognized Web

site where employers can find local, regional, and statewide information about employment, unemployment rates, the Consumer Price Index, workplace skills, wages, industry and occupational projections of employment, and much more. Research staff is on hand to show businesses how to retrieve such data – and how to apply it directly to their venture. Visit the Oregon Labor Market Information System (OLMIS) site at www.QualityInfo.org.

Labor Market Information Publications

Oregon Employment Department staff prepares and distribute thousands of publications to schools, businesses, planners, and the public. A complete list of labor market information publications is available at www.QualityInfo.org.

CHILD CARE DIVISION

The Child Care Division was created within the Employment Department, with legislation enacted in 1993, to emphasize the importance of child care as a work force issue.

Services for Employers

The division encourages and assists employers to meet the child care needs of their employees, and promotes the use of the state Employer Dependent Care Assistance tax credit program. Call 1-800-556-6616 or (503) 947-1400 for information and materials about dependent-care options.

Employers can find cost effective solutions to the child care needs of their workforce through their local child care resource and referral agency. Communities throughout the state are served through the child care resource and referral system which receives financial support from the Child Care Division. For information about your local agency, call the Oregon Child Care Resource and Referral Network at 1-800-342-6712 or visit their website at www.oregonchild-care.org.

In addition, the division is responsible for:

Child Care Regulation

The division certifies child care centers and certified family child care homes and registers family child care providers. Additional services include consultation,

technical assistance, monitoring, complaint investigation, and information to parents and other individuals. For more information, call 1-800-556-6616 or (503) 947-1400 or visit our web site at www.WorkingInOregon.org

Administration of Child Care and Development Fund (CCDF)

The Child Care Division is designated as the lead agency for CCDF. These funds are used to assist low income working parents with the cost of care, increase the supply of child care, and enhance the quality of care. CCDF funds are also used for regulation of child care providers, resource and referral services, and child-care subsidies to high-risk populations.

Child Care for High-Risk Populations

The division contracts with local organizations and schools to provide child care services to teen parents, migrant and seasonal farm workers, parents in substance-abuse treatment programs and children with special needs. For specific program information call (503) 947-1421.

Child Care Advocacy and Information

The Commission for Child Care was created by the legislature to address the issues, problems and alternative solutions that are critical to the development of accessible, affordable and quality child-care services. The commission consists of 15 volunteer citizens and three legislators, appointed by the governor, Senate president, and speaker of the House of Representatives. For more information call (503) 947-1891.



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Unemployment Insurance Centers

Metro / NW Oregon

Portland (503) 451-2400
Toll Free 877-877-1781

SW Oregon

Eugene (541) 686-7800
Toll Free 877-728-7970

Eastern / Central Oregon

Bend (541) 388-6207
Toll Free 800-663-7914

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Business & Employment Services

If you need to contact a WorkSource Oregon Employment Department office go to: www.WorkingInOregon.org and Click on Office Locations. Or call (503) 947-1436.

Oregon Relay Service- non-voice users: 711

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Hearings

Eugene Hearings
541 686-7960

Salem Hearings
503 947-1515
FAX 503 947-1531



Information

Tax Information

Oregon: 503 947-1488

General Information

Oregon: 1-800-237-3710

Outside Oregon: 503 947-1394

Oregon Relay Service- non-voice users: 711



Worksource Oregon
Employment Department
www.WorkingInOregon.org
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