

The Quarterly Connection

YOUR LINK TO THE MOST CURRENT INFORMATION REGARDING UNEMPLOYMENT INSURANCE AND WORKERS' COMPENSATION

Note: Throughout this newsletter, "UI" refers to "Unemployment Insurance" and "WC" refers to "Workers' Compensation."

Safety Awareness Campaign

Promoted by the Department of Employment (DOE)

Wyoming Workers' Compensation claims have been on the decline for the past several years due to tremendous safety achievements of employers and employees. However, complacency often follows success and efforts must be maintained to avoid setbacks. To bolster the trend of fewer injury claims, DOE initiated a safety awareness campaign.

Last fall, as part of this campaign, a workplace safety art poster contest was conducted for middle school students. The theme for the contest was "safety matters" and 12 entries were chosen for a calendar depicting their art and safety message. DOE hopes this type of outreach will create a foundation for the youth in our state to embrace safety for life. The calendars are available from DOE upon request.

Another facet of the campaign is the inaugural Wyoming Governor's Safety Awards Conference in Casper on March 29th. Governor Dave Freudenthal will highlight the event with an employer safety award ceremony. Awards will be presented to employers from twelve categories deemed outstanding in the area of safety during the previous year.

The conference's featured presentation, by Brad Livingston, is entitled "Just a Second Ago" and is a personal account of what can go wrong by short cutting safety. Other topics include methamphetamine awareness, fall protection, personal protective equipment assessment, dealing with the press, developing a safety program and many others. A variety of vendors on site will display safety products and equipment.

DOE will be conducting a safety media campaign, publishing a quarterly safety newsletter and issuing poignant flyers depicting costs associated to workplace injuries. DOE welcomes any input you can provide to further this campaign or any other areas of safety in the state's workforce. For additional information, contact Workers' Compensation at 307-777-7786.

The UI Taxable Wage Base for

2006 is \$17,100.00

The WC Corporate Officer/LLC Member Average Wage per quarter for

2006 is \$7,882.26

Quarterly Mailing Changes

Effective Q1/2006, employers using WIRE will no longer receive blank reporting forms. The Quarterly Connection, Employer's Notice of Change form and WIRE information will be mailed to WIRE filers each quarter.

Blank forms can be obtained from the division by writing:

Unemployment Tax Division
P O Box 2760
Casper, WY 82602-2760

The Governor's 2006 Summit on Workforce Development

Essential Investments:

Recruiting ♦ Training ♦ Retaining

Wyoming's workforce shortage is one of the most crucial issues facing all businesses in the State. The State's low population, consistently low unemployment rate, and continuing economic growth has Wyoming's industries struggling to hire and retain the skilled workforce they need to prosper.

To help Wyoming companies address workforce issues and remain competitive, the Wyoming Workforce Development Council, in partnership with the Department of Workforce Services, is sponsoring the second Workforce Summit to be held in Casper, Wyoming on May 16 and 17, 2006 at the Parkway Plaza. The 2006 Summit will draw attention to the opportunities and challenges of doing business in Wyoming today.

(continued on page 2, 2006 Summit)

W Wyoming
I Internet
R Reporting for
E Employers

<https://doe.state.wy.us/wire>

Prime Contractors — Always Request Certificates of Good Standing

Prime or general contractors can be held liable for unpaid UI and WC taxes of a subcontractor. Statutes require a prime or general contractor to secure certification, when a contract is awarded or before permitting a subcontractor to work, that the subcontractor is in good standing for both UI and WC.

The division recommends requesting a certificate of good standing from every subcontractor on every job, before the subcontractor begins work AND before making the final payment to the subcontractor.

Certificates of Good Standing can be requested for both UI and WC on the Internet at: <http://doe.state.wy.us/utd> in the "Request a Certificate of Good Standing" link on the left of the screen.

(2006 Summit, continued from page 1)

The Summit will offer several workshops by leading industry professionals, focusing on the essential workforce investments of: recruiting, training and retaining employees. In addition, an awards evening will recognize the successes Wyoming has had over the last year in the workforce arena. **For more information or to register, please visit www.wyowdc.org/summit or call DWS at 307-777-8650.**

ALL status changes must be submitted in writing. The "Notice of Change" form enclosed in your packet is provided for this purpose.

UI CORPORATE OFFICER WAGES

Under UI statutes, a corporate officer performing services for the corporation is an employee of that corporation. UTD auditors regularly identify corporations that are improperly treating payments for services to officers as "corporate distributions" or "corporate officer draws" instead of wages. Some corporate officers use corporate funds to pay the officer's personal bills and expenses, including personal house payments, grocery and utility bills, etc. If the corporation has not reported a reasonable wage for the corporate officer, these payments are reallocated as wages and taxed accordingly. The U S Tax Court has stated, "regardless of how an employer chooses to characterize payments made to its employees, *the true analysis is whether the payments represent remuneration for services rendered.*" (emphasis added).

"Reasonable wage" means wages paid to officers should be commensurate with the duties performed. Statistical information is available on many occupations within most industrial classifications and can be used to determine a reasonable wage. UTD auditors often use Wyoming's Research & Planning Section's ANSWERS program: <http://doe.state.wy.us/ANSWERS> for this purpose. When officer wages are reported at less than an average or reasonable wage but the corporation also makes other payments to or for the benefit of officers, UTD may determine that adjustments are appropriate.

For assistance with corporate officer wage determinations, contact Rick Mitchell, Field Supervisor, at 307-857-4194.

To obtain blank "Employee Wage Listings" forms (WYO-078), write to:

Unemployment Tax Division
Employer Services
Wage Forms
P O Box 2760
Casper, WY 82602-2760

or fax 307-235-3278
or call 307-235-3217
or

<http://doe.state.wy.us/utd>

WC CORPORATE OFFICER COVERAGE

Under WC statutes a Corporate Officer is not an employee; however, a special election for coverage can be made as per Wyoming Statute 27-14-102(a)(vii) (C). Employers must submit an Affidavit for Corporate Officer Coverage to elect this coverage. For further information or to obtain an election form, contact WC at 307-777-6763.

Reports Must Be Filed

Employers must file quarterly reports for every quarter until an account is closed, even if there are no employees during a quarter.

"Locum Tenens"

Webster's Dictionary defines "locum tenens" as "one filling an office for a time or temporarily taking the place of another..." Our auditors see this within professional occupations, i.e. a medical employer contracts with another doctor to fill in on a temporary basis. The employer often assumes that this "locum tenens" doctor is not an employee.

Statutes for both UI (27-3-104(b)) and WC (27-14-102(a)(xxiii)) require that any individual performing services, and receiving remuneration for those services, be considered an employee, unless the individual is:

1. Free from direction and control by contract and fact; and
2. Represents his services to the public as a self-employed individual or an independent contractor; and
3. May substitute another individual to perform his services.

There is no reference to "locum tenens" in UI or WC statutes. Auditors apply the above three-part test to each "locum tenens" arrangement individually, to determine if covered employment applies. Employers may call the division (307-235-3217) to request a liability determination in a "locum tenens" situation..

WYOMING NEW HIRE REPORTING

Wyoming Statute 27-1-115 requires WY employers report their newly hired or rehired employees to the WY New Hire Reporting Center.

Mail:
PO Box 1408
Cheyenne, WY 82001

Web:
www.wy-newhire.com

Phone or Fax:
307-638-1675 (in Laramie County)
or 1-800-970-9258

FAX 1-800-921-9651

Note:
This report is *separate* from reports filed with the Department of Employment

Information:

Employer Services:

Unemployment Insurance
307-235-3217

Workers' Compensation
307-777-6763

doe.state.wy.us

Benefits:

Unemployment Insurance
307-235-3697

Workers' Compensation
307-777-7441