

TAX RATE FREQUENTLY ASKED QUESTIONS

1. *What is the unemployment tax rate for a new employer?*

The new employer unemployment tax rate in Georgia is 2.70%.

2. *What is the minimum unemployment tax rate?*

The minimum unemployment tax rate for 2009 is 0.03%.

The minimum unemployment tax rate for 2008 was 0.03%.

For 2007, the minimum was 0.03%.

3. *What is the maximum unemployment tax rate?*

The maximum unemployment tax rate for 2009 is 6.21%.

The maximum unemployment tax rate for 2008 was 5.40%.

For 2007, the maximum was 5.40%.

4. *What are Premium Costs?*

Premium Cost for most employers are determined by experience factors including employer's tax account balance, benefit charges, number of employees, average payroll and applicable tax rates.

5. *What is the tax rate for my account?*

Current tax rates (as well as rates for the preceding three years) are listed on EL-55. The tax rates for the following year will be issued and mailed approximately December 31, 2008.

Tax rate notice information can be found on EL-08 (Rate Notice Inquiry).

6. *What is Computation Status?*

Description of the type of rate the employer receives.

- Regular -- Based on the employer's experience history, which includes average annual payroll, taxes paid, and benefit charges.

- Insufficient Experience - No Computation--Employer does not have 36 months of chargeability as of June 30, 2008. (See attachment for eligibility dates for 2003 through 2013). New Employer Rate (2.70%) applies.
- Delinquent Report – Computation Denied--The employer has not filed all Employer Tax and Wage Reports (DOL-4s) by the 1509 Due Date (October 2, 2008).

7. *When can I stop paying premiums at the new employer rate?*

A new employer is eligible for a rate calculation based on experience on the January 1 that follows the computation date (always June 30 of the prior year) on which the account has been chargeable for benefits for thirty-six months. See attachment for eligibility dates for the years 2003 through 2013. For rate calculation purposes, an employers “experience” consists of: total benefits charged against account, total tax paid into the account and an average of their taxable wages for 12 quarters.

8. *Why did my rate increase compared to last year’s rate?*

There are several possible reasons for a tax rate increase:

- An increase in taxable payroll on an account with a positive reserve balance,
- A decrease in taxable payroll on an account with a deficit reserve balance,
- An increase in benefit charges on the account.
- Failure to file missing reports by the date specified on DOL-1509, *Notice of Possible Rate Computation Denial*, which states that the department may charge the highest possible rate if the employer fails to file the specified reports.
- Changes in add-on or reduction factors as required under Georgia law, which are tied to the Trust Fund balance. A low Trust Fund balance may require higher rates to keep the Trust Fund solvent.

9. *Can I appeal my tax rate?*

There is no appeal process. The rates issued are based on a formula which considers the taxes paid, benefits charged and taxable payroll. The formula used is shown at the lower left of the Employer’s Tax Rate Notice. The rate could be changed only if one or more of these factors were incorrect due to an agency error. If the employer feels that one or more of the factors are incorrect, they should be directed to Adjudication at 404-232-3300.

10. *What is a voluntary contribution?*

It is a voluntary payment which will allow an employer to “buy down” to a lower tax rate. If eligible to participate, the employer pays the amount specified by the Department in order to lower his rate.

11. *What is the deadline for making a voluntary contribution?*

Payment in certified funds should be remitted with the reply section of DOL-626A, which is mailed with the tax rate notice, and must be postmarked within thirty days of the issue date printed on the letter. Tax rate notices are generally mailed in late December. For calendar year 2009, the deadline is February 4, 2009.

12. *Why am I not eligible to make a voluntary contribution?*

Employers are not eligible to participate in the voluntary contribution program if any of the following apply:

- The employer is taxed as a new employer at 2.70% (Insufficient Experience—No Computation)
- The employer was denied a tax rate computation based on a missing wage reports, (Delinquent Report—Computation Denied)
- The employer has been assigned the lowest possible tax rate.

13. *What is an employer’s reserve balance?*

The difference between the amount of taxes that an employer pays into their account and the amount of claims that is charged against it. A positive reserve means that the employer has paid more in taxes than they have been charged in benefits. A negative reserve means that more in claims have been paid out than taxes paid in.

14. *What is my reserve balance?*

The reserve balance computed through the second quarter of 2008 and is listed on the Employer’s Tax Rate Notice in box ‘e’. It can also be found on EL08.

15. *Can I have my reserve back if my account is inactive?*

No. The reserve is maintained in the employer's account in case there is future payroll and the account is reregistered. After approximately seven years, an account is subject to being purged. The reserve amount remains a part of the Unemployment Insurance Trust Fund.

16. *What happens to the contribution tax paid by an employer?*

The funds are held in the employer's reserve account, located by his DOL Account Number, for paying future benefit charges.

17. *What is the administrative assessment used for?*

The administrative assessment is the portion of the employer's total tax rate which is used for the administration of the Unemployment Insurance program.

18. *Why did I not receive a tax rate notice?*

There are several possible reasons for an employer not receiving the notice:

- The employer is inactive.
- The employer has moved and failed to notify the Department.
- The address of record is an accountant or service provider. The employer needs to contact the provider, as any new copies mailed will also go to the service provider.
- The US Postal Service has delayed delivery.

The employer should contact Adjudication at 404-232-3300 for address correction and mailing of new tax rate notice. If the account needs to be reregistered, the employer should contact the Adjudication Section at 404-232-3301.

19. *Whose benefit payments were charged to my account?*

DOL-620 notices are sent to employers quarterly informing them of the claimants who have received benefits charged to their accounts. Individuals who have received benefits charged to the account may be found on PC06 and PC03.

20. If a former employee draws benefits after June 30th, how will my rate be affected?

The tax rate for the current year will not be affected. Benefits charged to the account could affect future tax rates, but the extent would be based on other variables, such as tax paid, taxable wages reported and additional charges posted to the account. The extent would not be known until the following year's rate calculation.

21. Does the Department have a record of our acquisition of another business?

View EL13 to determine whether a successorship or partial successorship has been recorded for the account.

22. Must an employer file reports if they have no payroll in a quarter?

Yes. An employer must file for all quarters in which they are liable.

23. If an employer that is eligible for an earned rate had a missing report at the DOL-1509 deadline date, how will their rate be impacted?

If the employer with a missing report at the DOL-1509 deadline date (October 2, 2008) has a positive reserve, (a positive number in the "Total Tax Reserve" field of EL08), they will be given a 2.51% rate, regardless of anything else having to do with their payment or filing history. For 2009, 2.51% is the highest rate that an employer can receive if they have a positive reserve.

If the employer with a missing report at the DOL-1509 deadline date (October 2, 2008) has a negative reserve, (a negative number in the "Total tax Reserve" field of EL08), they will be given a 6.21% rate, regardless of anything else having to do with their payment or filing history. For 2009, 6.21% is the highest rate that an employer can receive if they have a negative reserve.

24. Is it possible to earn a rate of 2.51% or 6.21% even if all reports were filed on time?

Yes. These are "actual" rates that can be earned by employers through their experience.

ELIGIBILITY FOR TAX RATE COMPUTATION BASED ON EXPERIENCE

ACCOUNT LIABLE BY JULY 31 OF:	RATED JANUARY 1 OF:
2003	2007
2004	2008
2005	2009
2006	2010
2007	2011
2008	2012
2009	2013
2010	2014
2011	2015
2012	2016
2013	2017