Employer Webinar: Updates to Ohio’s Unemployment Insurance Program

September 2019
Agenda

- Unemployment Insurance System Transformation (UIST) Updates
- Mandatory Electronic Filing for Employer Quarterly Reports
- Legislative Updates
- SharedWork Ohio Availability Reminder
- What to Expect During an Audit
- Taxability of Subchapter S Corporations
Unemployment Insurance System Transformation (UIST) Update

Presenter: Byron Archer
Chief, OUIO Contributions
UIST Update

- Combined System
- Cloud Environment
- Schedule
UIST Update

- Tax
- Benefits
- Unemployment Compensation Review Commission (UCRC)
Preparing for UIST

- Getting Ready
  - Log-in Credentials
  - Federal Employer Identification Number
  - Contact Information
  - Authorizations
UIST Update

- IVR and QWRT Going Away
- Electronic Notifications
- Information Requests
- Rates
Communication About UIST

- jfs.ohio.gov/ouio/TheSOURCE
- unemployment.ohio.gov
- Letters and Emails
- Online Tutorials
Contact Information for UIST

- Employers: 614-466-2319
- Claimants: 877-644-6562
- TheSource@jfs.ohio.gov
Mandatory Electronic Filing

Presenter: Jeanna Hill
Data Systems Coordination
Supervisor
Mandatory Electronic Filing

- Ohio Administrative Code 4141-11-01
- All Ohio employers must file their quarterly wage reporting electronically
- Protects confidential information
How to Switch to Electronic Filing

- ERIC.ohio.gov
- Gateway.ohio.gov
- Toll Free 1-866-448-2829
Quarterly Reports Must be Filed Online

Most employers and third-party administrators already file their quarterly state unemployment tax reports online. Those that don’t must begin doing so with the first quarter 2018 reports, which are due by April 30, 2018.

The reports can be filed either through the Employer Resource Information Center (ERIC) at eric.ohio.gov or the Ohio Business Gateway at business.ohio.gov. ERIC allows employers and third-party administrators to manage all their business related to unemployment contributions online, including registering new businesses, filing quarterly reports and making tax payments. The Gateway allows Ohio employers to pay their unemployment contributions, as well as other state taxes, online.
Step 1
Register for an Employer Account

Instructions: You must have an existing Employer account in order to gain web access. The First Name, Last Name and Email Address combination must be unique. If you are a new employer and need to register, please use our online registration process.

Employer Registration

If you are already registered, but cannot remember your login information, you may reset your password.

Step 2: Already have an employer account?

Use the form below to register for WEB ACCESS

- Employer Account Number: 
  (Account number should be 10 digits, e.g., 0123456-78-9)
- FEIN: 
  (FEIN should be 9 digits, e.g., 123456789)
- First Name: 
- Last Name: 
- Phone Number: 
- Email Address: 
- Confirm Email Address: 
- Desired Username: 
  (The username must be 9-12 characters.)

I agree that the above information is true and complete to the best of my knowledge, and I am authorized to provide this information. I understand that by submitting this information I am applying for online access.

Submit
Mandatory Electronic Filing: ERIC

- Ohio’s format is ICESA
- QWRT tool also can be downloaded
- Payments can be made online (ACH Debit) or by mail with quarterly summary
- Need help? Call 614-466-2319, extension 22490
Mandatory Electronic Filing: Ohio Business Gateway

- Payments can be set to end of quarter
- Filing can be done through Ohio Business Gateway with paper check mailed
- Need help? Call 614-466-2319, extension 22482
Deadline to Switch

- Effective January 31, 2020, any unemployment insurance tax report not filed electronically will be returned.
- Returned reports must be submitted electronically within 14 days.
- Reports not received within 14 days will be charged forfeiture and interest.
Legislative Updates

Presenter: Juliane Barone
Chief, OUIO Legal Support
Ohio Department of
Job and Family Services
Mike DeWine, Governor
Kimberly Hall, Director

HB 166 – Ohio’s SFY 20/21 Budget Bill

- Unemployment Insurance (UI) Provisions:
  - SharedWork Ohio – clarified that participating employees must be in employment *covered* under Ohio’s UI law.
  - Debt Collection – Payments on debts certified to the Ohio Attorney General will be applied by debt until fully repaid (oldest debts first).
  - Joint Committee on Administrative Rule Review (JCARR) – State agencies may adopt new regulatory restrictions only if two or more others are removed. Inventory due to JCARR by December 31, 2019.
HB 62 – Transportation Bill

○ UI Provisions:

• Creation of an employment test exclusive to services performed by/on behalf of motor carriers.

• If the motor carrier has not elected to consider the individual’s service as employment, then 8 criteria must be met to be considered an independent contractor under UI law.
HB 221 – JCARR Reform Bill

- State agencies must review operations and identify principles of law or policy that are not stated in the Ohio Administrative Code (OAC) at regular intervals.

- Agencies must consider whether the principle of law or policy should be restated in an OAC rule.
HB 158 – Military Spouse Bill

- Effective March 20, 2019
- Allows UI benefits when individuals quit employment to follow their military spouses under specific conditions
- Charges from separating employers must be charged to the mutual account.
SharedWork Ohio

A quick reminder about Ohio’s premier layoff aversion program

http://www.odjfs.state.oh.us/tutorials/OUC/SWOOverview/SWOOverview.htm
What to Expect During an Unemployment Tax Audit

Presenter: Catherine Lewis
Tax Avoidance Detection Examiner
Why Me?

- US Department of Labor Mandate
- Random Audits
- Benefit Claim Issues
- Tips
Why We Audit

- Levels the Playing Field
- Minimize Tax Rates
- Trust Fund Solvency
How will you know if you are going to be audited?

- Audit Appointment Letter
- Phone Call
- Pre-Audit Questionnaire
Common Questions

- What will the auditor look for?
- How far back will the audit cover?
- What records will be needed?
- Must I be present at the audit?
- Where will the audit take place?
- How long will the audit take?
Common Questions (Continued)

- What if I paid for services from people not on my payroll? Can I be taxed for these payments that I don’t regard as wages?
- When can I expect to hear the audit results?
- What if I don’t agree with the audit findings?
Taxability of Subchapter S Corporation Distributions

Presenter: Catherine Lewis
Tax Avoidance Detection Examiner
Taxability of Subchapter S Corporation Distributions

- S Corporation Officers are classified as employees, unless they are a passive investor.
- If you are active in running the business, you are considered an employee.
- Must receive and report reasonable compensation.
Taxability of Subchapter S Corporation Distributions

- Audits often show shareholders taking distributions in lieu of a reasonable salary
- The agency’s job is to address unemployment tax implications
- The law does not distinguish between distributions and other payments
To determine whether a distribution is taxable:

- The shareholder performed services for the business
- The shareholder received payments
- Reasonable wages for services are reported to agency

If paid in lieu of wages, the agency will reclassify
Taxability of Subchapter S Corporation Distributions

For more information on this and other topics:

- Visit jfs.ohio.gov/ouio
- Call (614) 466-2319
Questions & Feedback

Email

UILPerformance@jfs.ohio.gov
Thank you for your time and participation!