

# ELECTION TO EXCLUDE PRINCIPAL OFFICERS FROM COVERAGE UNDER WISCONSIN'S UNEMPLOYMENT INSURANCE ACT Chapter 108, Wis. Stats.

State of Wisconsin  
Department of Workforce Development  
Division of Unemployment Insurance  
P.O. Box 7942  
Madison, WI 53707  
Fax: (608) 267-1400

Personal information you provide may be used for secondary purposes [Privacy Law, s. 15.04(1)(m), Wisconsin Statutes].

Pursuant to Section 108.025, Wis.Stats. the following named corporation:

Business Name	WI UI Account Number
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elects, effective as of January 1, , to exclude from coverage under Wisconsin's Unemployment Insurance law all of its principal officers, i.e., president, vice-president(s), secretary, and treasurer, who have a direct or indirect substantial ownership interest in the corporation. By statute a substantial ownership interest is defined as the principal officer having 25% or more of the ownership interest in the corporation or limited liability company (LLC) that is treated as a corporation. Please provide the following information for each principal officer who has a substantial ownership interest:

Principal Officer Name	% Ownership	Title in Corporation or LLC	SSN
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Principal Officer Name	% Ownership	Title in Corporation or LLC	SSN

There are no employees other than corporate officers at this time.

The undersigned certifies that the corporation's taxable payroll for the calendar year preceding the effective date of this election was less than \$500,000. **It is further certified that the corporate officer signing this election has the authority to act on behalf of the corporation.**

It is expressly understood that this election, when approved by the Department of Workforce Development (department), will remain in effect for subsequent calendar years if the electing corporation's taxable payroll remains at less than \$500,000 for successive calendar years and will remain in effect for every principal officer who retains a one-fourth or more ownership interest in the corporation.

**The corporation will receive an Initial Determination advising the status of this election.**

Submitted for the Corporation on this Date	Corporate Officer Name
Telephone Number (      )	Corporate Officer Signature

\* Under Wisconsin's Marital Property Law (Chapter 766, Wis. Stats.), a married individual has a 1/2 ownership interest in each item of marital property, including stock. If you believe Wisconsin's Marital Property Law provides a sufficient ownership interest to qualify a principal officer to be excluded, please review the instructions to this form for further information.

# Instructions for Election to Exclude Principal Officers Form (UCT-7937)

## Background Information

“Employment” includes an individual’s service for an employer organized as a corporation in which the individual is a principal officer, as defined in Section 108.025, and has a direct or indirect ownership interest, except that if an employer having an annual payroll of less than \$500,000 for the calendar year preceding an election files a notice of election, in that manner prescribed by the department, to exclude the service of all of its principal officers who have a direct or indirect substantial ownership in the corporation, “employment” for state unemployment tax purposes does not include the service of these officers. An employer which files an election under this paragraph may reelect coverage of its principal officers under this subsection by filing a notice of reelection with the department. An employer which reelects coverage of its principal officers is not eligible to file a notice of election of noncoverage under this paragraph. To be effective for a calendar year, an employer shall file a notice of election or reelection no later than March 31 of that year. Newly subject and successor employers have until the due date of their first quarterly report to elect the corporate officer exclusion. An election is effective for each calendar year until the employer files a timely notice of reelection. A principal officer has a direct or indirect substantial ownership interest in a corporation under this paragraph if one-fourth or more of the ownership interest however designated or evidenced, in the corporation is owned or controlled, directly or indirectly, by the officer.

## Instructions for Form

The corporate officer completing this form must identify each principal officer who owns or controls 25% or more of the corporation and must include the percentage of the corporation that principal officer owns or controls, along with his or her title in the corporation and social security number.

Except for an employing unit which becomes an employer during a calendar year, the completed and signed form **must be received by the department no later than March 31**.

Wisconsin's Marital Property Law (Chapter 766, Wis. Stats.) provides that a married individual possesses a 1/2 ownership interest in each item of marital property including stock. If you believe Wisconsin's Marital Property Law provides a sufficient ownership interest to qualify a principal officer to be excluded, **YOU SHOULD CONTACT** the department at (608) 261-6700. The department will send an additional form for you to complete so the department may determine if Wisconsin's Marital Property Law qualifies this principal officer for the corporate officer exclusion.

Pursuant to Wis. Stat. s. 108.24(2), any person who knowingly makes a false statement or representation as to any information requested on this application may be fined not less than \$100 nor more than \$500, or imprisoned not more than 90 days or both; and each such false statement or representation constitutes a separate offense.

## Privacy Information

Authorization for this form is provided by Wis. Stat. s. 108.025(2). A corporation must complete this form, if it wishes to exclude its principal officers from state unemployment taxes.