

What If I Don't Agree With the Audit Results?

The ID you receive will list a contact person's name and telephone number. You can discuss the audit results by calling the number shown. If possible, we will resolve issues at that time. However, that may not always be possible. The ID is appealable. To appeal an ID, you must follow the directions on the back of the ID. If mailed, your appeal ***must be*** postmarked by the final appeal date shown on the ID.

What If I Consider Some or All My Workers Either Independent Contractors or Subcontractors?

Under Wisconsin UI law, an individual being paid by you for work performed is presumed to be your employee unless you meet the conditions set forth under Wis. Stat. § 108.02(12). A copy of the "Definition of an Employee Under Wisconsin Unemployment Insurance Law" (UCT-10685-1), can be obtained from the auditor or by contacting the UI Audit Section. The auditor must receive verification that these conditions exist for each person you consider a subcontractor or independent contractor. It is the employer's burden of proof to show the conditions are met.

Can the Auditor Answer Questions Regarding Problems I'm Having with the Department of Workforce Development (DWD)?

Our auditors are well-versed in Wisconsin UI law and should be able to answer most questions you have on UI. If you have questions about other DWD divisions, the auditor can provide you with information on who to contact.

DWD is an equal opportunity employer and service provider. If you have a disability and need assistance with this information, please dial 7-1-1 for Wisconsin Relay Service. Please contact the Unemployment Insurance Division at (414) 435-7069 or toll-free at (844) 910-3661 to request information in an alternate format, including translated to another language.

Department of Workforce Development
Unemployment Insurance Division
Bureau of Tax & Accounting
P.O. Box 7942
Madison, WI 53707



Department of Workforce Development
Unemployment Insurance (UI)
Audits of Employer Records

PREPARING FOR YOUR UI AUDIT

**Bureau of Tax and Accounting
Audit Section
(608) 266-3180
<https://dwd.wisconsin.gov/uitax>**

Introduction

This brochure addresses the most frequently asked questions from employers who receive notice of a Wisconsin Unemployment Insurance (UI) audit. Please read this information carefully since it will help you when preparing for the audit, let you know what to expect during and after the audit, and gives a contact person and telephone number if you have additional concerns.

Why Was I Selected for Audit?

Each year, thousands of employers are audited. Some employers are selected randomly from the entire list of employers covered under Wisconsin UI law. Others are selected to verify wages are being reported correctly. In other instances, employers need help because of changes in their business. (Wis. Stat. § 108.21(1)).

What is the Purpose of This Audit?

Wisconsin UI audits employers to verify your reported payroll and exclusions taken for UI purposes, to make sure that all employees have been properly reported, and to answer any questions you may have regarding the UI law. If you are not currently covered under Wisconsin UI law, you may be audited to determine if you should be a covered employer for UI purposes.

How Long Will This Audit Take?

The length of the audit depends on the size of the employer, the condition of the employer's records, and the number of problems that come up. If you are a small-to-medium-sized employer (1-50 employees), the audit will probably be completed in a day if you have provided all the records requested by the auditor. If you are a larger employer, the audit may take considerably longer. Many audits are completed electronically. The auditor will provide information about uploading needed documents through the UI Employer Portal.

When all records are provided timely, the audit process is much shorter. Each audit is subject to a secondary review before the final results.

What If I Can't Provide Records on the Scheduled Audit Date?

If you can't be available or have your records provided before the date scheduled, please contact us immediately by telephone or return postcard (if provided). We will reschedule the audit. Please provide us with several alternate dates when you will be available so that rescheduling can be done as soon as possible.

Do I Need to Be Available for the Audit?

Yes, if the auditor arranged to do the audit at your place of business. If you have sent records electronically, the auditor will contact you by email or telephone at the time of the audit or at the alternate time decided by you and the auditor.

If you want the auditor to communicate directly with your accountant, bookkeeper, or other representative, please contact the auditor by telephone or provide the name, address, and telephone number of the party on the return postcard, if one was provided with the scheduling letter.

What Time Period Will the Audit Cover?

Usually, the audit covers one year unless issues are discovered that could affect other years. The scheduling letter lists the dates you should have records available. If the audit is not expanded beyond the one-year period, it may not be necessary for the auditor to examine all the records. The auditor will contact you shortly after the audit scheduling letter is mailed to discuss the audit period and records needed.

What Records Will the Auditor Examine?

The records needed are listed in the scheduling letter. Not all employers have all of these records, but those you do have should be available.

Remember that Wisconsin UI law requires all employers to keep adequate records for reporting payroll. (Wis. Stat. § 108.21(1)).

Why is the Auditor Examining Records, Forms, and Documents in Addition to Payroll Records?

To verify that payroll was correctly reported for UI purposes, the auditor must look at a variety of documents and records. Payments to workers are made differently and through different accounts from employer to employer. These payments may be considered payroll for UI purposes. Thus, the auditor must look at any records that may contain payments for services such as 1099s, vendor records, tax returns, etc.

Can I Refuse to Provide Records to the Auditor?

Under Wisconsin UI law, you must provide records to the auditor. If you refuse to do so, we will issue a subpoena for the records. If we issue a subpoena, you must pay the costs associated with service of the subpoena and may be held in contempt if you fail to respond to the subpoena. (Wis. Stat. § 108.21(1)).

When Will I Know the Audit Results?

The auditor will discuss the results with you by telephone or email. In addition, the auditor will send you a summary of proposed audit adjustments. Based on those adjustments, an Initial Determination (ID) of taxes due or credit available will be sent to you, typically within 30-60 days.

What If I Have Other Questions Regarding the Audit?

You can call the auditor directly at the number shown on the scheduling letter or contact our Audit Support Unit at (608) 266-3180.

Where Will the Audit ID be Mailed?

Audit IDs are mailed to the employer business address we have in our system. We will only send a copy of the Audit ID to your attorney or accountant after the Audit ID is mailed to you and only if that request is made after the mailing date.