MESSAGE FROM DWD SECRETARY ALLEN

Dear Wisconsin Employer,

The Wisconsin economy has been experiencing a historic level of success lately, and that is due in large part to your efforts to train and employ talented Wisconsin workers at record setting levels. Our unemployment rate reached a historic low of 2.8 percent earlier this year, and our labor force participation rate has consistently ranked in or near the top five among states. This is all good news! With record levels of employment comes less reliance on unemployment insurance (UI) benefits, and less reliance on UI benefits helps your bottom line.

For the 2019 tax year, employers will again be paying taxes in the lowest possible tax schedule, schedule D. Since 2013, employers have saved nearly $700 million when considering the changes in tax schedules and the improved UI tax account standing for many covered employers. This is money that employers like you can now use to hire additional staff, invest in equipment or provide additional staff training opportunities.

Our efforts to increase the integrity of the UI Trust Fund, which is funded by employers like you and only used to pay benefits to eligible applicants, continue. The most recent fraud report indicates that the percentage of total benefits obtained fraudulently declined by 42 percent when comparing 2016 to 2017, more than triple the rate of decline in total benefit payments. The UI program is an important safety net for workers. Ensuring that benefits are only paid to eligible individuals ensures that our Trust Fund remains solvent, and I am happy to report that Wisconsin's UI Trust Fund reached $1.7 billion earlier this year! Our efforts to connect individuals to gainful employment and reduce instances of fraud in the UI system are working, and with your help we can do even more.

Throughout this year's newsletter you will find articles on many of the improvements that we have made to make it easier for you to communicate with the Department and help ensure that individuals aren't claiming UI benefits fraudulently. We hope that you will find the articles of interest and recognize the importance of our partnership in fighting UI fraud.

Together, we are moving Wisconsin, and the state of Wisconsin's UI Trust Fund, forward.

Thank you for all you do for the people of Wisconsin.

EMPLOYER ONLINE SERVICES – FAST, EASY, & SECURE

We encourage you to use our fast, easy, and secure Employer Online Services. You can file and pay your quarterly tax and wage reports online - exclusions and taxes owed will be calculated automatically. You can also view your account summary, tax rate history, update your address, close your account, and make a voluntary contribution.

There is also an improved way to respond to UI notices and view and appeal benefit determinations online using our upgraded Employer Online Services and SIDES E-Response.

Go online today! Visit https://dwd.wisconsin.gov/uitax

NEW TO EMPLOYER ONLINE SERVICES? REQUEST ONLINE ACCOUNT ACCESS

Online Services Access Keys can now be requested on our website under Employer Online Services by selecting Request Online Access. An access key is required for first-time users of Employer Online Services. For security reasons, the access key is sent to the main business mailing address associated with your account.

Go to https://dwd.wisconsin.gov/uitax to request an Online Account Access.

The Unemployment Insurance Handbook for Employers is intended to assist employers in meeting their obligations under the Wisconsin Unemployment Insurance (UI) law, Chapter 108, Wisconsin Statutes. To keep up-to-date on all UI program laws and policies, please view or print this handbook at https://dwd.wisconsin.gov/uitax.
**HAVE A SUGGESTION? UNEMPLOYMENT INSURANCE PUBLIC HEARING**

Wisconsin's Unemployment Insurance Advisory Council invites the public to participate in a public hearing on Wisconsin's Unemployment Insurance law. The Council represents both employee and employer interests and recommends changes to unemployment law to the Wisconsin Legislature. The public hearing will be conducted simultaneously at seven locations throughout the state during a session on **Thursday, November 15, 2018 from 3:00 pm - 6:00 pm**. The live video conference will be available in: Eau Claire, Green Bay, La Crosse, Madison, Milwaukee, Superior and Wausau.

**Written comments** may be submitted to Janell Knutson, Chair, Unemployment Insurance Advisory Council, P.O. Box 8942, Madison, WI 53708 no later than November 16, 2018. Written comments may also be submitted via email to UlLawChange@dwd.wisconsin.gov.

If you have questions, please contact Robin Gallagher at 608-267-1405 or visit [https://dwd.wisconsin.gov/uiac](https://dwd.wisconsin.gov/uiac).

**PRE-EMPLOYMENT DRUG TESTING PROGRAM HELPS STRENGTHEN WISCONSIN’S WORKFORCE**

With a record low unemployment rate, the prevalence of substance abuse is a growing problem for employers who are already struggling to find qualified workers. As part of DWD's commitment to ensuring no talent is left on the sidelines, the Department's Pre-Employment Drug Testing Program is a way employers can help grow Wisconsin's pool of work-ready job seekers while fostering a drug free workplace within their business.

Provisions included in the UIAC agreed-upon bill, effective April 1, 2018 provide that an employer that submits the results of a positive test or notifies DWD of an individual's refusal to take a pre-employment drug test is immune from state civil liability for its acts or omissions with respect to the submission of the reported information (Wis. Stat. § 108.133(4)(c)). Go to [https://dwd.wisconsin.gov/ui/pre_employment_drug_testing](https://dwd.wisconsin.gov/ui/pre_employment_drug_testing) to find additional information, forms, and resources on how to participate in the program.

**PROTECT UI PROGRAM INTEGRITY - RESPOND TO WEEKLY WAGE VERIFICATION AND AUDIT REPORTS**

The information you provide on the Wage Verification/Eligibility Report (Form UCB-23) helps protect your account and increases the integrity of the UI program by ensuring correct weekly earnings are reported by the claimant and eligibility issues are raised in a timely manner. Please return a complete and timely form UCB-23 if there is a discrepancy in the information reported by the claimant as your account will be charged for all benefits erroneously paid because of the missing, late, or incomplete report.

The Weekly Earnings Audit (Form UCF-350) is an additional tool used by the Department to protect your account and increase UI program integrity. If you receive form UCF-350, it means we suspect the claimant worked for you and did not report work and wages from you when filing for benefits. Please return a complete and timely form UCF-350 when received. Wages must be reported on a weekly basis. Go to [https://dwd.wisconsin.gov/ui201/b9201.htm](https://dwd.wisconsin.gov/ui201/b9201.htm) for more information.

**NEW UI LAW CHANGES IMPACTING EMPLOYERS**

The Unemployment Insurance Advisory Council agreed-upon bill (2017 Wis. Act 157) contained numerous law changes relevant to Wisconsin employers including:

- **Fiscal Agents Joint and Several Liability** – Aligning state law with federal law so that a private agency that serves as a fiscal agent, or that contracts with a fiscal intermediary to serve as a fiscal agent, may be found jointly and severally liable with respect to the unemployment tax liability of a domestic employer. This will provide an incentive for fiscal agents to correctly report wages for employers and to properly pay UI tax.
- **Levy Non-Compliance Penalty** – Increasing the penalty for third parties who refuse to comply with a Department levy from 25% to 50% of the amount of the debt. The penalties will be deposited into the program integrity fund.
- **Personal Liability for Tax: Repeal of the Ownership Requirement** - Amends the tax personal liability statute to remove the requirement that an officer, employee, member, manager, partner, or other responsible person must have at least a 20% ownership interest in order to hold the person personally liable for willfully failing to file reports or make contribution payments.
- **State Tax Refund Intercept for Tax Recovery** – Permits the Department to intercept state income tax refunds, lottery payments, state vendor payments, and unclaimed property of taxpayers (employers and personally liable individuals) who owe debts to the Department. The Department previously only intercepted such amounts for claimants who owe overpayments and penalties.

The effective date for the provisions included in 2017 Wis. Act 157 was April 1, 2018. In addition to the UIAC agreed-upon bill, Governor Walker signed two other bills into law during the 2017-2018 biennium that relate to the UI program: 2017 Wis. Act 59 (the 2015-2017 budget) and 2017 Wis. Act 147 related to increased criminal penalties for UI fraud.

Please visit the plain language summary for more information at: [https://dwd.wisconsin.gov/uibola/pdf/plainlang2017.pdf](https://dwd.wisconsin.gov/uibola/pdf/plainlang2017.pdf)

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*Wage information and other confidential unemployment insurance information may be requested and used for other governmental purposes, including verification of an individual's eligibility for other government programs. For complete information on the rules regarding disclosure, refer to Wisconsin’s Administrative Code Chapter DWD 149.*