

## 2012 TAX INFO:

Rate for Newly  
Established  
Employers  
in 2012:  
**4.2%**

Rate Range  
for Established  
Employers  
in 2012:  
**1.9%-6.8%**

2012 Taxable  
Wage Base:  
**\$15,000**

Effective  
Oct. 3, 2011  
and Thereafter,  
the Maximum  
Weekly Benefit  
Rate for All New  
Claims is:  
**\$573**

## Unemployment Insurance Special Assessments Mailed in August

As reported in previous Employer Information Notices, Connecticut's Unemployment Trust Fund became insolvent on October 13, 2009. To continue paying UI benefits to unemployed workers, as required by law, Connecticut began borrowing funds from the U.S. Department of Labor. Generally, federal loans carry interest, but the American Recovery and Reinvestment Act of 2009 (ARRA) contained a provision waiving interest on UI trust fund loans through 2010. When this interest waiver expired, Connecticut, along with more than 20 other states, was required to pay interest on these loans from January 2011. The interest rate for 2011 was set by the Federal Treasury at 4.0869%.

In Connecticut, the statutory mechanism to collect these interest payments is via an annual special assessment billed to the state's employers on August 1 and due on August 31. In 2011 the agency issued an assessment to collect approximately \$30 million interest due and, thanks to your collective response, Connecticut made its interest payment to the U.S. Treasury in full and on time.

In December 2011 the state was able to make a payment of one hundred million dollars to reduce the principal on which interest will be calculated. We recently made an additional payment of nearly one hundred seventy three million dollars in an effort to further reduce the outstanding loan balance and the corresponding interest due. Our current loan balance has been reduced to \$630 million. The interest rate on trust fund loans for 2012 has also been lowered to 2.9430% as opposed to 4.0869% for last year. So, while we are required to pay interest on 12 months of outstanding loans this year (as opposed to nine months in 2011 due to the waiver) this year's assessment totaled approximately \$23 million; \$1.30 per thousand dollars of taxable payroll, or about \$19.50 per full time employee. For example, an employer with 10 workers received an August 2012 assessment of about \$195.



Any updates from the Department of Labor on the UI Trust Fund will be posted on the Department of Labor Website:  
**[www.ct.gov/dol](http://www.ct.gov/dol) under "Unemployment Taxes"**

## Emphasis on UI Program Integrity; New Auditors Hired

The Unemployment Insurance (UI) Tax Division recently hired several new auditors. These new auditors have been assigned to Field Audit Unit offices located throughout the state. They join an existing workforce that is charged with ensuring program integrity. In addition to a number of proactive steps taken by the Department to decrease unemployment benefit overpayments including recovery of overpayments, fraud detection, and fraud prevention, our audit staff conduct investigations to ensure that all workers providing services in Connecticut are properly classified as employees or as bona fide independent contractors.

If workers are improperly classified as contractors rather than as employees, workers lose valuable protections such as access to the UI and workers compensation systems and also face the possibility of not being properly compensated in accordance with various wage payment laws. In addition, law abiding businesses are harmed by being placed at a competitive disadvantage when competing for work and also face a higher share of the overall tax burden by paying for those businesses who are not contributing their fair share.

As such, one of our responsibilities is to conduct field audits of employers to determine compliance with unemployment law, with special focus on the proper application of the so-called "ABC Test." This test is an integral measure used by field auditors to determine whether a worker is an employee or an independent contractor and is Connecticut's statutory definition of employment as it relates to unemployment insurance tax reporting.

Trainees are also learning how they can assist businesses in preparing quarterly unemployment insurance tax returns. Employers are encouraged to contact a local field audit unit for assistance in interpreting the law, including determining the appropriate classification of a worker.

Bridgeport	(203) 455-2725
Danbury	(203) 797-4148
Hamden	(203) 859-3325
Hartford	(860) 256-3725
Middletown	(860) 754-5130
New Britain	(860) 827-6260
New London	(860) 439-7550
Norwich	(860) 859-5700
Torrington	(860) 496-3340
Waterbury	(203) 437-3400
Willimantic	(860) 786-6200

Your local Unemployment Field Audit Office can assist you and answer any questions about the unemployment insurance information provided in this notice.

## Services for Employers and Job Seekers

Employment Services provides employment-related labor exchange services such as job search assistance, job referral and placement, reemployment services for UI claimants, and recruitment services for businesses with job openings.

[CT.jobs/CT JobCentral](http://www.ct.jobs/CTJobCentral), CT's state labor exchange, is a self-service job bank providing employment services for both job seekers and business, matching job seekers to potential employers based on qualifications, location, salary, and other criteria. Employers posted 51,764 new job openings and 1,082 jobs were indexed between July 1, 2011, and June 30, 2012. Indexing identifies links to jobs on corporate web sites, enabling job seekers to be taken directly to the job listing on the corporate web site. After creating an account, approved CT employers can post or index W-2 jobs and search résumés for thousands of qualified candidates at no cost. Visit [www.ct.jobs](http://www.ct.jobs) to get started.

[Business Services Consultants](http://www.ctdol.state.ct.us/busservices/BusSpec.htm) assisted businesses with 462 recruitments attended by 9,125 jobseekers in CTWorks Career Centers between July 2011 and June 2012. Visit <http://www.ctdol.state.ct.us/busservices/BusSpec.htm> to set up your recruitment.

UI claimants must register for employment services as a condition of eligibility for UI benefits. Enhanced Reemployment Services (ERS) identifies UI claimants who are likely to exhaust their benefits, are unlikely to return to their previous occupations, and will need job search assistance services to make a transition to new employment. 16,597 claimants participated in ERS from July 1, 2011, through June 30, 2012.

During the months of May and June 2012, 9,979 claimants collecting Emergency Unemployment Compensation (EUC) received Reemployment Services and Reemployment and Eligibility Assessments (RES/REA). 12,823 EUC claimants were notified to attend a mandatory meeting to review EUC eligibility requirements and their work search approach and efforts. Those who did not appear were referred to adjudications and subject to disqualification.

**Carl Guzzardi**  
UI Director of Accounts