



Pennsylvania  
**Department of  
Labor & Industry**

# **Pennsylvania Unemployment Compensation**

## **Employer's Handbook**

# TABLE OF CONTENTS

|                                          |    |
|------------------------------------------|----|
| ABOUT THIS HANDBOOK .....                | 3  |
| ABOUT THE UC PROGRAM .....               | 3  |
| BUSINESS SERVICES .....                  | 5  |
| EMPLOYER REPORTING REQUIREMENTS .....    | 6  |
| HOW YOUR TAX RATE IS DETERMINED .....    | 15 |
| PAYING TAXES .....                       | 18 |
| YOUR ROLE IN UC BENEFIT PROCEDURES ..... | 21 |
| AUDITS .....                             | 26 |
| UC FRAUD .....                           | 28 |
| CONTACT INFORMATION .....                | 31 |
| APPENDICES .....                         | 32 |
| APPENDIX A – GLOSSARY .....              | 32 |
| APPENDIX B – UC EMPLOYER FORMS .....     | 35 |
| APPENDIX C – LEGAL DISCLOSURES .....     | 36 |

*The statements in this document are a paraphrase of the applicable Pennsylvania Unemployment Compensation Law (PA UC Law) and are not legally binding. The reader is cautioned to obtain the advice and guidance of a professional familiar with the PA UC Law.*

## ABOUT THIS HANDBOOK

### PURPOSE OF THE EMPLOYER HANDBOOK

This handbook will answer many of your questions and provide important information about the Pennsylvania Unemployment Compensation (UC) program for employers. (See the [Glossary](#) for definitions of all underlined terms.)

### NEED HELP FAST? WE'RE JUST A CLICK AWAY!

Visit <https://www.pa.gov/agencies/dli/programs-services/unemployment/for-employers> for additional information including answers to Frequently Asked Questions (FAQs). View our [Employer Quick Guide](#) for a list of UC contact options by topic.

## ABOUT THE UC PROGRAM

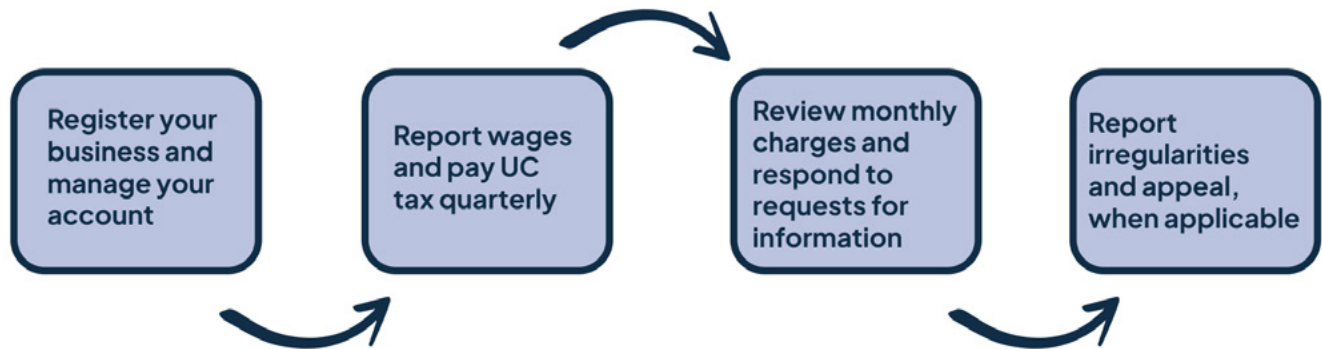
UC is a program designed to provide temporary income to workers who lost their jobs through no fault of their own – like being laid off, a business closing, or not enough work. Benefits are not available to all workers. For example, workers who were fired from their job for [misconduct](#) cannot receive UC benefits. Other common examples of workers who cannot receive benefits are those whose wages or employment is specifically excluded under the law, those who are not planning to become reemployed, or those who are either physically unable to work or are not available to work because they have other responsibilities or are away from home.

To be covered by the UC program, a claimant must be a worker who performed services covered by the Pennsylvania (PA) UC Law and have worked for an employer that is covered by PA UC Law. The Department of Labor & Industry is responsible for administering the PA UC Law.



## EMPLOYERS' ROLE IN UNEMPLOYMENT COMPENSATION

As a Pennsylvania employer, you play an important role in the UC system. Your active participation ensures that eligible workers receive timely benefits while helping to maintain the financial health and integrity of the program. By fulfilling your UC obligations, you help ensure timely and accurate benefit delivery while managing your own UC costs.



## WHO IS REQUIRED TO PAY UC TAX

Employers are required to pay and withhold PA UC tax. An employer includes the Commonwealth of PA, its political subdivisions, and their agencies, or any business (sole proprietorship, corporation, association, etc.) which has employees subject to the PA UC Law for some portion of a day or has elected to become subject to the PA UC Law. Employment is defined as all service performed for wages by an individual including interstate commerce and service as an officer of a corporation.

### COMMON PAYMASTER

When one employer within a group of employers pays the wages of its own employees as well as the wages of the employees of the other members of the group, they are considered a common paymaster. Common paymaster reporting is not permitted under the PA UC Law. Section 302 of the PA UC Law requires each legal entity providing employment to have its own, separate UC account.

### PROFESSIONAL EMPLOYER ARRANGEMENT

A professional employer arrangement is an arrangement between a business, called the client, and a professional employer organization (PEO), where the client leases some or all of its workforce from the PEO. Section 4(j)(2.1) of the PA UC Law specifies that the client in a professional employer arrangement is considered to be the UC employer of leased workers, rather than the PEO. Wages must be reported on the client's UC tax account, and contributions on those wages must be paid at the client's tax rate.

## HOW YOUR TAX DOLLARS ARE USED

Pennsylvania's UC program is primarily funded through taxes paid by employers. These taxes help support workers who are unemployed and qualify for benefits. Most of the time, these benefits are spent in the worker's local area, which helps local businesses and the economy.

# BUSINESS SERVICES

## WE ARE HERE TO HELP YOU

The Pennsylvania Department of Labor & Industry (L&I) is here to support you. We offer information and resources to help your business succeed, including:

- [Economic data](#) about your industry or area to help you make smart business decisions.
- [Recruitment and training assistance](#) from local PA CareerLink® Offices to provide help recruiting the right talent for your business.
- Support through our [Shared Work Program](#), in the event of a business slowdown. This program provides partial unemployment benefits to workers so you don't have to lay them off and later spend time and money hiring and training new staff.
- Resources through our [Rapid Response Program](#), in the event of a large layoff or downsizing.
- Assistance with [Worker Adjustment and Retraining Notification \(WARN\) Act](#) compliance, in the event of a plant closure or mass layoff.
- [Payment options](#) should you incur a financial emergency that leaves your business unable to pay taxes due in full.

To learn more about L&I's services for employers and to view the L&I Business Services Guide, visit [www.pa.gov/dli/business](http://www.pa.gov/dli/business).

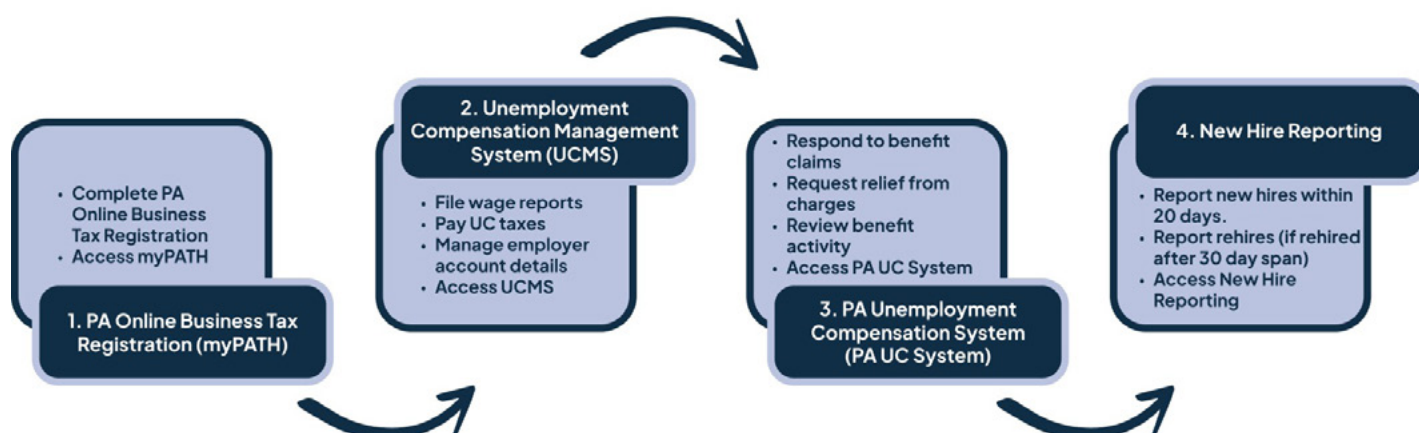
The Employer Outreach program can send a free speaker for your meeting, conference, or event. Speakers are available to provide information on a variety of UC topics. To request a speaker, email us at [ucspeaker@pa.gov](mailto:ucspeaker@pa.gov). Emails should include the topic that interests you, the date and location of the event and your contact information.

# EMPLOYER REPORTING REQUIREMENTS

If you're an employer in Pennsylvania, there are a few key things you need to do to stay on top of your responsibilities under the UC program. Here is what you'll need to take care of:

- Provide business registration information.
- Provide new hire details.
- File quarterly tax and wage information.
- Provide prompt responses.
- Report refusal of an offer of suitable work.
- Keep complete records and provide when requested.
- Add third-party administrators to your accounts.

The systems and websites that you will access to fulfill your UC responsibilities are shown below and discussed in more detail in each applicable section. While these systems are not fully integrated, each plays an important role in helping you stay compliant with UC requirements.



## PROVIDE BUSINESS REGISTRATION INFORMATION

If you have employees or plan to hire in Pennsylvania, you must register with L&I. Use the PA Department of Revenue's website, [myPATH](https://myPATH.pa.gov), to register your business through the PA Online Business Tax Registration system. L&I uses the information you provide on the registration form to determine if your business is required to pay UC taxes, and, if so, will calculate your initial tax rate(s) and notify you of your employer account number and responsibilities.

Need help with myPATH? [Check the FAQs](#) or call 717-425-2495 Ext. 72841.



**Did you know?** If you fail to register your business with UC Tax Services within 30 days after services are performed, you could face a penalty up to the amount of \$10,000 per assessment.

If you are a [successor](#) and continue the same business activity as your [predecessor](#), you must report the transfer within 30 days to the Office of UC Tax Services. Penalties may be applied if you willfully fail to report a transfer. The transfer information can be submitted online using [myPATH](#) or through the [UCMS](#) employer self-service portal. Alternatively, you can fill out the [Predecessor/Successor Registration form](#) and upload it at the [UC Tax Inquiry link](#).

Also, successors may apply to transfer all or part of the predecessor's UC experience record and reserve account balance. To determine if you would benefit from applying for a predecessor's UC experience record and reserve account balance:

1. Compare the predecessor rate for the year of transfer to the new employer rate.
2. Think about any unfavorable effect the predecessor's experience record and reserve account balance and potential predecessor benefit charges would have on future years' rates.

See the [UC-15](#) for additional information. An application for a transfer of experience record will be denied if there is evidence the transfer was done primarily to receive a lower UC tax rate.

The Office of UC Tax Services may require a transfer of the experience record and reserve account balance if there is common ownership and/or management between the predecessor and successor, or if both are controlled by the same outside source.

## PROVIDE NEW HIRE DETAILS

Pennsylvania UC Law requires that all new hires be reported to L&I, regardless of the number of hours worked. This requirement also applies to rehires who haven't worked for you in the past 30 days.

For each new employee, provide the following information:

1. Full name
2. Mailing address
3. Date of birth
4. [Social Security number \(SSN\)](#) – New employees who have not been issued an SSN must apply within seven days of being hired and must provide you with a copy of the application.

Report all new hires within 20 days of hire by submitting the required information at [PA CareerLink® – Report New Hires](#).

L&I uses this information to:

- Prevent people who have returned to full-time work from continuing to claim UC benefits.
- Verify that claimants who have secured part-time employment are reporting their earnings.
- Share new hire info with the [National Directory of New Hires \(NDNH\)](#).

## FILE QUARTERLY TAX AND WAGE INFORMATION

Follow these guidelines to report your employees' earnings correctly:



### WHEN TO REPORT WAGES AND CREDIT WEEKS

You must report all [wages](#) and [credit weeks](#) each quarter. A credit week is any calendar week in which the worker earned \$116 or more.

| WAGE REPORTS AND UC TAX DUE DATES |                         |            |
|-----------------------------------|-------------------------|------------|
| QUARTER                           | WAGES PAID TO EMPLOYEES | DUE DATE   |
| Quarter One (Q1)                  | January 1 – March 31    | April 30   |
| Quarter Two (Q2)                  | April 1 – June 30       | July 31    |
| Quarter Three (Q3)                | July 1 – September 30   | October 31 |
| Quarter Four (Q4)                 | October 1 – December 31 | January 31 |



### HOW TO FILE REPORTS

Employers are required to file reports and [pay](#) electronically via [UCMS](#). You can file online, upload a file, or use file transfer protocol (FTP). Visit [Filing UC Quarterly Wage/Tax Reports](#) for more info. Employers who are unable to comply with the electronic filing requirement must file a [waiver request form](#). Employers without a Department-approved waiver whose reports are not filed electronically will be charged a penalty.



### HOW TO MAKE CORRECTIONS TO REPORTS

Changes to previously filed tax and wage information can be made by logging into [UCMS](#). Select “Quarterly Reporting” then select “Amend Quarterly Report.”

For information on the file layouts and formats that are necessary for the electronic reporting or amending of UC tax and wage data by file upload or FTP, please review the [UC-2010 handbook](#).



### HOW TO CALCULATE WAGES

[Gross wages](#) must be reported in the quarter you paid them for quarterly wage reporting purposes. Credit weeks must be reported in the quarter they were earned. Each quarter has a maximum of 13 credit weeks. If the department requests a person's week by week earnings from you, gross wages must be reported in the Sunday-Saturday calendar week when earned.

| Wages Include:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Wages Do Not Include:                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Salary, commissions, and bonuses</li> <li>• Compensation paid in lieu of cash</li> <li>• Tips</li> <li>• Company car</li> <li>• Sick, vacation and holiday pay</li> <li>• Severance pay</li> <li>• Qualified Cafeteria or Flexible Benefit Plans financed by employee contributions</li> <li>• Meals and lodging</li> <li>• Exercised stock options</li> <li>• Education expenses</li> <li>• Moving expenses in excess of actual expenses</li> <li>• Disability payments for first six months</li> <li>• Back Pay</li> </ul> | <ul style="list-style-type: none"> <li>• Payments by employers to qualified retirement, disability, or life insurance plans</li> <li>• Disability payments after six months</li> </ul> |

### EMPLOYEES WHO WORK IN TWO OR MORE STATES



If your business has employees who work in more than one state, you may need to report their wages to another state. Use the questions below, in order, to help you determine which state wages should be reported to:

1. Is most of the employees' work performed in Pennsylvania with only minor or temporary tasks performed outside of Pennsylvania? If so, report all wages to our agency. If not, contact the state in which the services are performed.
2. If employees do not perform most of their work in one state, do they perform some work in the state where its [base of operations](#) is located? If so, report their wages to the state where the base of operations is located. If they do not have a base of operations, consider the next question.
3. If there is no base of operations, do employees provide services in the state from which their work is directed or controlled? This is the location where basic authority resides and general control comes from (such as a corporate office), rather than the place at which they are supervised. If employees provide services in the state from which the work is directed or controlled, report their wages to that state. If not, consider the next question.
4. If the employees do not perform any services in the state from which their work is directed or controlled, do the employees perform some work in the state in which they live? If so, report their wages to that state.

If you have any doubt as to which state wages should be reported, please review [The Problem of Localized and Nonlocalized Employment](#) pamphlet or contact Employer Tax Services at 866-403-6163.



## EMPLOYEES WHO WORK INTERNATIONALLY

If your business employs U.S. citizens who perform work outside of the United States, those wages must be reported to Pennsylvania if:

- The work is not covered by any other state, Canada, or the Virgin Islands, AND
- Your principal place of business is in Pennsylvania.



## QUARTERLY WAGE AND EMPLOYMENT REPORTING EXCEPTIONS

Wages and credit weeks are not required for individuals who perform services under certain circumstances excluded by PA UC Law. Common exemption examples include:

- Sole proprietors and partner in a general partnership. Wages for other employees are required to be reported.
- You are a sole proprietor and your spouse or children (under the age of 18) work for the family business. Wages for other employees are required to be reported. Additional information can be found in the [Family Employment](#) pamphlet.
- Real estate or insurance agents who only earn commissions.
- Clergy members.
- Church or employees of religious organizations operating primarily for religious purposes.
- Medical students who perform services as a part of a training program.
- Students who perform services for a school, college, or university that are enrolled and regularly attending classes.
- Inmates who perform services at a custodial or penal institution.
- Domestic workers (such as babysitter, health aide, housekeeper, gardener, etc.) employed by an individual homeowner, local college club, fraternity, or sorority paid less than \$1,000 in a quarter.
- Agricultural employer until: (1) business employs at least 10 full-time or part-time employees for any part of a day in 20 or more calendar weeks during the current or preceding calendar year, or (2) pays \$20,000 in cash wages in any calendar quarter of the current or preceding calendar year.
- Elected officials.

The list above is not “all inclusive.” [See Section 4\(l\)\(4\) of the PA UC Law](#) for a complete list of wage and employment exclusions.

Regardless of the exclusions in the PA UC Law, services and payment for services performed which are covered by the Federal Unemployment Tax Act (FUTA) will also be considered subject to coverage under the PA UC Law.

Any employer not covered by the PA UC Law can voluntarily request coverage. The Office of UC Tax Services must approve the request before coverage is extended. Once approved, the elected coverage is binding on the employer for not less than two years. For more information, please review the [Application to Elect Coverage Under the PA UC Law for Exempt Service and Exempt Employers](#).



### INDEPENDENT CONTRACTORS

A worker performing services for payment is an employee, unless the employer shows:

1. The individual has been and will continue to be free from control or direction over the performance of the services involved, both under their contract of service and in fact, and
2. As to these services, the individual is customarily engaged in an independently established trade, occupation, profession, or business.

Only if both conditions are met to the satisfaction of the department will the individual be regarded as an “independent contractor.” Additionally, a written agreement between a worker and the business does not control the worker’s status. L&I enforces the [Construction Workplace Misclassification Act \(Act 72 of 2011\)](#), which provides additional requirements if a worker performs services in the construction industry. In addition to meeting the two criteria above, individuals performing services in the construction industry must have a written contract in order to be an independent contractor.

To prove that a worker is “customarily engaged in an independently established trade, occupation, profession or business,” the employer must prove the worker:

- Possess the essential tools, equipment and other assets necessary to perform the services independent of the person for whom the services are performed.
- Realize a profit or suffer a loss because of performing the services.
- Perform the services through a business in which the individual has a proprietary interest.

- Maintain a business location that is separate from the location of the person for whom the services are being performed.
- Have performed similar services for another individual or company while free from that individual or company's direction or control; or show they actively present themselves to the public as able and available to do the same kind of work for others while free from direction and control.
- Maintain liability insurance during the contract term of at least \$50,000.

Additional information can be found in the [Employee or Independent Contractor \(UCP-32\) pamphlet](#).

## PROVIDE PROMPT RESPONSES

Complete and return requests for information by the deadline provided in the request. The information is used to determine whether your former employees should receive UC benefits, and if so, in what amount.

If you do not provide a timely and accurate response, your employer account may be charged for benefits that your former employees were not entitled to receive.

By providing our agency with the requested information, you can help keep UC costs as low as possible.

## REPORT REFUSAL OF AN OFFER OF SUITABLE WORK

In order to remain eligible for UC benefits, claimants must be:

1. Able to work,
2. Available to work, and
3. Actively seeking work.

If you offer employment to an individual who refuses your offer of work, you must notify the Department of Labor & Industry within seven days.

You can report refused offers of work in the PA UC system.

- Log into the PA UC System.
- From your Dashboard, select More Unemployment Services.
- Click on Report Refusal of Work.
- Submit the person's first and last name and Social Security number to report within the PA UC System.

You can also use the [Employer Questionnaire Refusal of Suitable Work](#) to provide the date and details of the work offered.

Individuals who refuse suitable work are no longer eligible to receive UC benefits. By notifying our agency of such a refusal, you can help to control UC costs.

## ADD THIRD-PARTY ADMINISTRATORS (TPA) TO YOUR ACCOUNTS

Some employers utilize a [Third-Party Administrator \(TPA\)](#) to help them with UC reporting requirements. If you are using a TPA, please add them as a representative/agent to your UCMS and PA UC System accounts. For detailed instructions for UCMS, please review [Allowing Third Party Administrator Access to an Employer Account](#). For the PA UC System, please review [Establishing a Relationship and Granting Access to Third-Party Administrators/Agents Electronically](#).



## KEEP COMPLETE RECORDS AND PROVIDE WHEN REQUESTED

You must keep the following information on file for each employee for at least six years after the quarter in which they were employed by your business:

-  Full name
-  Full Social Security number (SSN)
-  Basis of pay (e.g., hourly, monthly)
-  Location of work
-  Number of credit weeks
-  All scheduled hours and daily record of hours worked
-  Gross pay for each pay period by type of payment
-  Payroll deductions for each pay period
-  Reason for discharge or quitting, if applicable
-  If the employer considers the worker to be an independent contractor or otherwise not an “employee” under the PA UC Law, all records, documentation and evidence supporting that position should be retained.
-  Traveling or other business expenses actually incurred and accounted for, and the dates such expenses were incurred and were paid by the employer
-  Documentation of payments made to worker, including bank statements, cancelled checks, check stubs, and electronic funds transfer records
-  Daily attendance record, showing the dates on which the worker actually worked, and the time lost due to reasons other than lack of work
-  If the worker is covered by an arrangement described in 4(j)(2.1) of the PA UC Law, the contract between the employer and the other party to the arrangement; any contract between the employer and the worker
-  Federal and state tax returns for periods workers were employed

### Importance of Keeping Employment Records



The amount of a penalty under the PA UC Law for failure or refusal to provide records for inspection or audit can be as much as \$1,500 for each day of failure or refusal.

## HOW YOUR TAX RATE IS DETERMINED

The Office of UC Tax Services issues a Contribution Rate Notice (UC-657) to every active contributory employer each year by December 31. This notice informs you of your UC tax rate for the upcoming year.

Employer contributions are calculated by multiplying taxable payroll by the tax rate. Since 2018, contributory employers pay UC Tax on the first \$10,000 of taxable wages paid to each employee.

### How to Use Your Tax Rate

Employer Contribution Rate x Taxable Wages = Employer Contribution  
.038220 x \$10,000 = \$382.20

## TAX RATE CALCULATOR

To estimate your tax rate for a certain year, log into [UCMS](#) to use the rate calculator.

## NEW EMPLOYER

Most new employers are assigned a new employer contribution rate effective for approximately two years. There may be exceptions if delinquencies exist.

## EXPERIENCED-BASED RATE

After an employer subject to the PA UC Law has paid wages for approximately two years, they may be eligible for an experienced-based rate. The rate is based on the employer's history of unemployment and employment experience through June 30 of the previous year. The more UC benefits your former workers collect, the higher you can expect your tax rate to be. For example, seasonal employers that have an annual mass layoff often pay more than similarly sized employers that operate year-round.

There are six components of an experienced-based rate:

1. Reserve Ratio Factor
2. Benefit Ratio Factor
3. State Adjustment Factor
4. Surcharge Adjustment
5. Additional Contributions
6. Interest Factor

Additional information on experienced-based contribution rates can be found at [UC Tax Computation of Rates](#).

## STANDARD RATE

Employers with sporadic employment history may be assigned a standard rate. For example:

- A standard contribution rate would be assigned to an employer who files reports with no gross wages during each quarter of one of the last four fiscal years ending on the computation date (June 30), because the employer would not have sufficient employment experience for a calculated contribution rate.
- A standard contribution rate would be assigned to an employer whose account is inactive, and less than five years later, the employer reactivates his account or opens a new business. The employer would be assigned a standard contribution rate based on the balance in the reserve account.

There are two types of standard rates:

- One standard contribution rate is assigned to employers with zero or positive reserve account balances.
- A higher standard contribution rate is assigned to employers with negative reserve account balances.

## TAX RATES FOR DELINQUENT EMPLOYERS

Employers will have a 3% increase to their contribution rate if they fail or refuse to:

1. Complete a PA Online Business Tax Registration or other required registration documents, and/or
2. File quarterly UC tax reports, and/or
3. Pay contributions, interest or penalties due through the second quarter of the previous year.



**Did you know?** Employers who address tax delinquencies could save money on future tax liabilities. Contact the UCTS Collections Support staff at 412-565-5121 for assistance with filing outstanding quarterly tax/wage reports and for payment options.

## TAX RATES FOR OTHER EMPLOYERS

### SUCCESSORSHIPS

If a transfer of experience is mandatory or applied for, the successors assumes in full or in part the predecessor's experience history and UC tax rate for the year of transfer.

### NON-PROFIT ORGANIZATIONS AND POLITICAL SUBDIVISIONS

Instead of paying a set UC tax rate, organizations with a non-profit 501(c)(3) status or political subdivisions may elect to pay the full cost of UC benefits collected by former employees. These are referred to as reimbursable accounts. For additional information, review the [UCP-16, UC Information for Reimbursable Employers](#).

## WAYS TO REDUCE YOUR TAX RATE

### TAX RATE APPEALS

Employers who disagree with their rate may appeal within 90 days from the date of the rate notice. Instructions are included on page 2 of the Rate Notice.

The Office of UC Tax Services will review and send a letter granting or denying the appeal. If the employer disagrees with the decision, they have 30 days to appeal to the UC Tax Review Office. The written appeal should include:

- Legal business name and address.
- PA UC employer account number.
- Specific factual statements showing the nature of the appeal and the basis for disagreement.
- The signature of an authorized representative.

If a hearing is scheduled, the UC Tax Review Office will send a "Notice of Hearing" about six weeks before the hearing date. The purpose of the hearing, where testimony is taken under oath, is to gather all facts related to the appeal and is the only opportunity for the employer to present their evidence.

At the hearing, an employer has the right to:

- Be represented at their own expense by an attorney, accountant, or advisor
- Present testimony and relevant evidence; and
- Ask questions to the other side and their witnesses.

Witnesses should have firsthand knowledge about the facts pertaining to their testimony.

### MAKING VOLUNTARY CONTRIBUTIONS

If you have an experience-based rate, you may be able to reduce your UC tax rate by making a voluntary payment to improve your Reserve Account Balance and reduce the Reserve Ratio Factor of the rate.

This payment:

- Is non-refundable.
- Cannot be applied to contributions due.
- Must be made within 30 days from the date of the notice, but in no case later than 120 calendar days from the beginning of the calendar year, whichever is sooner.

If you choose to make a voluntary contribution, you must determine the amount of contribution necessary to reduce your rate. To make a voluntary contribution, access your UCMS employer self-service portal at [www.uctax.pa.gov](http://www.uctax.pa.gov) or submit the remittance with a cover letter, to:

Office of UC Tax Services  
PO Box 68568  
Harrisburg, PA 17106-8568

## DEBIT RESERVE ACCOUNT BALANCE ADJUSTMENT

If your Reserve Account Balance is negative, and the amount needed to make it positive is more than 20% of your average annual taxable wages, you may elect to adjust it to a smaller negative amount to 20% of your average annual taxable wages. To do this, access your UCMS employer self-service portal at [www.uctax.pa.gov](http://www.uctax.pa.gov) or send a letter to:

Office of UC Tax Services  
PO Box 68568  
Harrisburg, PA 17106-8568

If the election is approved, the maximum experience rate will be assigned for the current calendar year and the next two calendar years. The request:

- Must be submitted between January 1 and April 30 and
- Cannot be withdrawn for any cause after 10 days from the date of the letter.
- The reserve account balance will be adjusted as of June 30 of the previous year.

## CONTROLLING YOUR UC COSTS

Your actions can affect how much UC taxes your business pays. Here are some tips to help control your costs:

| Respond Quickly                                                                                                                        | Monitor Claims                                                                                                                     | Keep Info Current                                                                      | Attend Hearings                                                                             | Report Hires                                                                                        | File and Pay On-Time                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Report separation reasons accurately</li><li>• Complete all requests for information</li></ul> | <ul style="list-style-type: none"><li>• Review monthly notices</li><li>• Report full-time workers or unreported earnings</li></ul> | <ul style="list-style-type: none"><li>• Update your business details in UCMS</li></ul> | <ul style="list-style-type: none"><li>• Make sure your side of the story is heard</li></ul> | <ul style="list-style-type: none"><li>• Report all new and rehired workers within 20 days</li></ul> | <ul style="list-style-type: none"><li>• Submit quarterly reports</li><li>• Pay your UC taxes on time</li></ul> |

## PAYING TAXES

The PA UC Law requires employers who are not eligible for reimbursable account status to pay into the UC Fund (called contributory employers). These [contributions](#) are used to pay benefits to workers who lose their jobs and meet eligibility requirements.

## WHAT IS TAXED?

Both reimbursable and contributory employers are required to withhold employee contributions from each employee's gross wages. The current employee withholding rate is listed on our [website](#).

$$\text{Gross Wages} \times \text{Employee Holding Rate} = \text{Employee Contributions}$$
$$\$30,000 \times .0007 = \$21$$

Contributory employers pay UC taxes on each employee's wages up to the taxable wage base. The [taxable wage base](#) has been \$10,000 since 2018.

## WHEN TAXES ARE DUE

You must do the following by the last day of the month after the end of each quarter:

1. File all your tax and wage reports, and
2. Pay your taxes.

If a due date is on a weekend or holiday, your tax and wage report must be postmarked by the next business day to be considered timely.

| WAGE REPORTS AND UC TAX DUE DATES |                         |            |
|-----------------------------------|-------------------------|------------|
| QUARTER                           | WAGES PAID TO EMPLOYEES | DUE DATE   |
| Quarter One (Q1)                  | January 1 – March 31    | April 30   |
| Quarter Two (Q2)                  | April 1 – June 30       | July 31    |
| Quarter Three (Q3)                | July 1 – September 30   | October 31 |
| Quarter Four (Q4)                 | October 1 – December 31 | January 31 |

## HOW TO PAY YOUR TAXES

Payments are required to be paid electronically through UCMS if the total liability for a payment period is, or at any point was, \$5,000 or more, and the employer does not have a department-approved [waiver](#) on file. Failure to make payment electronically will result in a penalty.

- ACH Debit – UCMS will electronically contact the financial institution selected by the employer and will deduct the designated amount on the date indicated while submitting the payment.
- ACH Credit – The employer instructs the financial institution to electronically transmit the designated amount to UCMS.

- Credit Card – Allows the employer to electronically make a payment with a credit card.
- Print a voucher and mail a payment – Allows the employer to print the payment voucher and mail it to the department with a check.

Checks or money orders should be made payable to: PA UC Fund. Your business name and UC employer account number should be entered on the check or money order.



Online

For fastest service, visit: [UCMS](#)



By Mail

Office of UC Tax Services

P.O. Box 60848

Harrisburg, PA 17106-0848

\*Note that your payment must be postmarked by the due date.



**Did you know? Most Employers Pay Their Taxes on Time**

In Pennsylvania in 2024, 94.8% of contributory employers paid their UC taxes on time and in full each quarter. This helps to ensure the solvency of the UC Fund.





## YOUR ROLE IN BENEFIT PROCEDURES

Employers must provide L&I with all employment information needed to accurately administer the PA UC Law. We use the employment information you provide to determine if your former employees are eligible for UC benefits.

### ELIGIBILITY DETERMINATIONS

When one of your former employees' files for UC benefits, we use information from your quarterly wage reports and [separation](#) information to determine a claimant's financial eligibility. We determine the [Weekly Benefit Amount \(WBA\)](#) the claimant may receive, up to a [Maximum Benefit Amount \(MBA\)](#).

This amount depends on how many credit weeks they earned and how much they were paid by all employers for the [base period](#). The maximum benefit amount a claimant can receive per week in Pennsylvania is updated on the [UC FAQ page](#).

If you paid the claimant wages, you'll receive a Notice of Financial Determination. This document includes the wages you reported on quarterly wage reports, for the period in question. If the wages appear to be incorrect, you have the right to file an appeal to this determination.

You'll also receive a Notice of Application (UC-45 form) requesting information about why the claimant is no longer employed or has reduced hours. This helps us determine if they qualify for benefits. If you provide information that affects their eligibility for benefits you will be provided an opportunity to participate in fact-finding.

After fact-finding is completed, you can expect to receive a Notice of Determination outlining the claimant's eligibility for benefits. If you disagree with this Notice of Determination, you have the right to file an appeal. This determination can later impact requests for relief from charges – it's important to take the time to review it carefully.



**Remember:** By promptly providing our agency with the necessary information, you can help to ensure proper determination of claimant eligibility and keep UC costs down.

## RELIEF FROM BENEFIT CHARGES

Employers may be relieved from UC benefit charges in certain situations listed in the PA UC Law. Relief from charges is not granted in situations where the claimant is not working due to a lack of work. **Do not submit relief requests for lack of work (layoff, furlough) situations.**

Timely requests are as follows:

- Separating base year employers have 21 days from the financial determination date or date on the Request for Relief from Charges.
- Base year employers have 21 days from the earliest claim notice date if a separation occurs after the claimant files an application for benefits.

**Important:** If an employer files for relief from charges and later rehires the employee, the employer must notify the department within 15 days.

Upon receipt of a request from the employer, L&I may grant relief from charges for UC benefits that are paid to a claimant who:

- Left work for the employer without good cause attributable to the employment,
- Was discharged by the employer for willful misconduct,
- Was separated from the employer for reasons that involve fault on the part of the claimant,
- Was discharged, or temporarily suspended, by the employer for failure to submit and/or pass a drug or alcohol test conducted pursuant to an established substance abuse policy,
- Is still working for the employer in a part-time job that is continuing without material change, or
- Was separated from the employer due to a cessation of business of 18 months or less caused by a disaster.

Request relief using only one of these methods. **Please send only one request for each claimant.** It may take a couple of months for you to see credits if you are deemed eligible for relief.

- Online (fastest way):
  - o Log in to [www.benefits.uc.pa.gov](http://www.benefits.uc.pa.gov).
  - o Select View and Protest Employer Charge.
  - o Choose “file protest” from the action column on the Employer charges tab.

- Emailing the completed UC44FR to: [UIEMPCHARGE@pa.gov](mailto:UIEMPCHARGE@pa.gov)
- Mailing the completed UC44FR to: UC Mail Processing Unit  
651 Boas St.  
5th Fl Suite 500  
Harrisburg, PA 17121

## MONTHLY SUMMARY OF CHARGES

Each month, you'll receive a Monthly Notice of Compensation Charged (UC-640) from the PA UC System via your preferred contact method. This notice provides details about employer account charges for any former employees who are receiving UC benefits. If your account is eligible for any credits, they'll be listed too. It also shows the total charges made to your account during the current fiscal year. You don't have to wait for this statement to review your account. You can view charge activity online, in real time at [www.benefits.uc.pa.gov](http://www.benefits.uc.pa.gov):

- Log into your account.
- From your dashboard choose the "View and Protest Employer Charges" link.
- Here you can view activity, adding filters as desired to highlight certain claimants.
- You can also request Relief from Charges directly from this tab.

Notify the UC Employer Resource Center (UCERC) line immediately at 833-728-2367 (Option 2). if you notice any irregularities on the Monthly Notice of Compensation Charged (UC-640) form. If you are logged into the UC system, most issues can be reported within the system.



## MONTHLY NOTICE OF COMPENSATION CHARGED (UC-640)

### IF YOU NOTICE THIS ISSUE:

### YOU SHOULD TAKE THIS ACTION:

**Current, full-time employees are listed as currently collecting UC benefits.**

File a fraud report at [www.pa.gov/uc/fraud](http://www.pa.gov/uc/fraud).

*This could be identity theft, or an individual could be working full-time and collecting UC benefits.*

**Former employees appear to be receiving more UC benefits than they are entitled to.**

File a fraud report at [www.pa.gov/uc/fraud](http://www.pa.gov/uc/fraud).

*A former employee may not be reporting their part-time wages correctly.*

**An individual appears who was never employed by your business.**

File a fraud report at [www.pa.gov/uc/fraud](http://www.pa.gov/uc/fraud).

- File an appeal to the financial determination for that employee.
- If you don't have the financial determination, request relief from charges.

**A person who refused a job offer or recall is collecting UC benefits.**

Follow instructions in the section "[Report Refusal of an Offer of Suitable Work](#)."

**You are being charged for a former employee, but you may be eligible for relief from those charges.**

Follow the instructions in the section "[Request Relief from Benefit Charges](#)."

### HOW ARE CHARGES CALCULATED?

Our agency uses a proportionate charging system. This means that if a claimant worked for more than one employer during the [base period](#), each employer is charged based on the percentage of wages they paid. If the claimant only had one employer, all benefits paid to that employee are charged to the employer's account.

### PROPORTIONATE CHARGING OF BENEFITS EXAMPLE

| NAME OF EMPLOYER'S COMPANY | TOTAL WAGES EARNED | % WAGES EARNED | CLAIMANT'S WBA | \$ CHARGED TO EMPLOYER ACCOUNT PER WEEK |
|----------------------------|--------------------|----------------|----------------|-----------------------------------------|
| Tidy Maids                 | \$40,000           | 80%            | \$200          | \$160                                   |
| Excellent Cleaners         | \$10,000           | 20%            | \$200          | \$40                                    |



#### Help Prevent Overpayments

Our agency uses the separation information you provide to help determine if the claimant is eligible for UC benefits. Failure to provide the requested information may lead to an overpayment.

## BENEFIT APPEAL RIGHTS

If you or your former employee(s) disagree with a decision made by OUCBP, you each have the right to appeal. Appeals must be submitted within 21 days from the date on the [determination](#) letter.

### HOW TO SUBMIT AN APPEAL

To submit an appeal, use the Petition for Appeal form, which provides an opportunity for you to describe the reasons you disagree with the decision. You may appeal:



#### Online

Visit: [www.benefits.uc.pa.gov](http://www.benefits.uc.pa.gov)

From your dashboard, under “Unemployment Services,” select “Appeals.” Next, select the “Determinations” tab to find the decision you want to appeal. Select “File Appeal,” next to the determination you wish to appeal and enter the required information.



#### By Mail

Mail Processing Unit  
651 Boas Street, Fifth Floor  
Harrisburg, PA 17121



#### By Fax

Fax your appeal to 855-728-2329

## THE BENEFIT APPEAL PROCESS

After your appeal is received, you will be sent a Notice of Hearing. It will inform you of the date and time of your appeal hearing. A referee, an impartial hearing officer, will lead the hearing.

After the hearing, the referee will issue a written decision that is sent to you and any other interested parties, such as your former employee(s). This will be sent by mail or email, depending on how you usually receive messages. If you disagree with a hearing officer’s decision, you can appeal it.

### The Importance of Attending Appeal Hearings

- If you fail to come to the appeal hearing, a decision will be made based solely on the facts presented by your former employee.
- Similarly, if your former employee fails to come to the appeal hearing, a decision will be made based solely on the facts presented by you.

When both parties participate in the appeal hearing, it ensures that the hearing officer is able to hear all relevant facts and render a fair decision.

For more information about benefit appeals, visit [www.pa.gov/uc/appeals](http://www.pa.gov/uc/appeals).



## AUDITS

Federal law requires that the Office of UC Tax Services conduct audits on employers each year. Audits help to ensure employers are properly reporting wages and paying the correct amount of UC taxes.

### TYPES OF EMPLOYER AUDITS

Our agency conducts several types of employer audits:



#### Random Audits

Each year, employer accounts are randomly selected by our computer system for an audit. Every employer in Pennsylvania has an equal chance of being chosen for this type of audit.



#### Request Audits

This type of audit is initiated when our agency receives a tip or referral about potentially fraudulent activity by an employer.



#### Targeted Audits

Some employers have a higher chance of non-compliance, based on type of industry, prior reporting history, high employee turnover, and other factors. Our agency audits these employers more often.



#### Large Employer Audits

These audits focus on businesses that paid wages to 100 or more workers during the current or previous calendar year or reported \$1 million or more in taxable payroll per calendar year.

## YOUR RESPONSIBILITIES DURING AN AUDIT

If your business is selected for an audit, you are responsible for being prepared and cooperative. This includes producing requested records. The forms, [Records to Be Kept by Employers \(UC-746\)](#), and [Employer Records to Be Examined \(UC-926\)](#), are attached to the audit appointment letters sent to employers.

If you refuse to allow access to your records, a subpoena may be issued for the records. Additionally, a civil penalty of \$1,500 may be assessed for each day the records are withheld.



## YOUR RIGHTS DURING AN AUDIT

All employers have the right to be treated fairly throughout the audit process.

- You have the right to be approached without bias or prejudice. Just because you are being audited, that does not mean you are noncompliant.
- You or your designee have the right to receive a report stating the audit findings, as well as the supporting facts.
- You have the right to [appeal](#) the findings of the audit if you disagree. If you disagree, the Office of UC Tax Services will issue a Notice of Assessment and include a Petition for Reassessment form. The assessment is final, unless the employer files a Petition for Reassessment within 15 days of the Notice of Assessment mailing date. The employer's petition must contain specific and detailed factual statements showing the reason(s) the employer feels the assessment is wrong and must be signed by the employer or their authorized representative.

After the UC Tax Review Office receives a Petition for Reassessment, the employer will:

- o Receive an acknowledgement letter.
- o When a hearing is scheduled, the UC Tax Review Office will send a "Notice of Hearing" to the employer and the Office of UC Tax Services about six weeks before the hearing date.
- o The purpose of the hearing, where testimony is taken under oath, is to gather all facts related to the appeal.

- o The hearing will be the only opportunity for the employer to present evidence for the record.
- o At the hearing, an employer has the right to:
  - Be represented at their own expense by an attorney, accountant or advisor.
  - Present testimony and relevant evidence; and
  - Ask questions to the other side and their witnesses.
- o Witnesses should have firsthand knowledge about the facts pertaining to their testimony.

## POTENTIAL OUTCOMES OF AN AUDIT

At the conclusion of the audit, our agency will inform you if:

- You are in compliance with UC program requirements, or
- You previously overpaid taxes and are due a credit or refund, or
- The results show you owe additional taxes. In this situation, we provide details of the findings, including taxes, penalties, and interest owed. We also advise you how to report correctly in the future and discuss your payment options.

If you have questions about an audit, please contact the assigned tax agent. For general questions, please contact Employer Tax Services at 866-403-6163.

## UC FRAUD

If you knowingly misrepresent the amount of your payroll on your quarterly tax and wage reports, it is considered UC fraud, and you could be charged [penalties](#).

## PAYING WORKERS “UNDER-THE-TABLE” OR “OFF-THE-BOOKS”

The underground economy refers to employers who make economic transactions or use tactics to conceal their activities and true tax liability from government agencies. These activities may include tax evasion, fraud, paying their employees in cash without recording the transaction(s) in payroll records aka wages paid “under-the-table” or “off-the-books.”

Employers who are found to be operating using the underground economy may be subject to taxes, penalties, interest, and criminal prosecution.

## MISCLASSIFYING WORKERS

Misclassification occurs when an employer classifies workers as independent contractors, even though they are employees. Misclassification hurts workers during a layoff because independent contractors are generally not eligible for UC benefits. Employers who misclassify workers may be subject to taxes, interest, and penalties.

If you are not sure how to classify a worker, refer to the [Employee or Independent Contractor \(UCP-32\) pamphlet](#). Here is a brief overview of the major differences between employees and independent contractors:

### Employees

- Have assigned hours or a set schedule.
- Are provided with the tools and materials necessary to finish their work.
- Often have only one employer.
- May receive benefits (such as health insurance) from your company.
- Receive employment protections from your company.

### Independent Contractors

- Have an established business.
- Accept jobs on a case-by-case basis (and can turn down work).
- Supply their own tools.
- Often advertise their business to attract clients.
- Do not receive benefits or employment protections from the companies they work for.

## STATE UNEMPLOYMENT TAX ACT (SUTA) DUMPING

[SUTA](#) dumping refers to tax evasion schemes where employers shuffle employees among different employer accounts in order to get a lower tax rate. This causes tax shortages to fall upon honest employers who report and pay their taxes correctly.

Federal law requires substantial penalties for individuals who engage in or promote such illegal schemes. Offenders can be charged penalties and interest, in addition to paying back taxes.

## FICTITIOUS EMPLOYER SCHEMES

Fictitious employer schemes occur when fraudsters create employer accounts and misuse them to collect UC benefits for individuals who are not entitled to those benefits. To combat this type of fraud, please notify our agency if your business receives letters for a business that is not yours.

## TO AVOID FRAUD

The most important thing for you to do is report information and wages accurately. If you intentionally make false statements or hide information to reduce your UC tax liability, you are committing fraud. If you are confused about what you are supposed to do or report, please visit, [PA.gov/uc](https://www.pa.gov/uc).

### HOW YOU CAN HELP PREVENT UC FRAUD

You can help prevent fraud by:

- Using the online [SSN verification service](#) to verify that every new employee's Social Security number matches Social Security Administration records.
- Thoroughly reviewing every notice you receive from the Office of UC Benefits Policy.  
If the person listed never worked for you, has not had their hours reduced, or still works for you full-time, contact us immediately.

Stopping fraud helps control UC costs and lower tax rates.



### Report Suspected Fraud

If you are aware of an employer who is committing UC fraud, please report it. Your identity will be kept confidential.

You can report fraud:

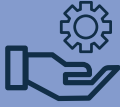
- Online at [PA.gov/uc/fraud](https://pa.gov/uc/fraud)
- Through our toll-free Fraud Hotline at 1-800-692-7469.

Tips about possible fraud are pursued by our team of investigators.



## CONTACT INFORMATION

There are many ways to contact us:

|                                                                                                          | UC EMPLOYER<br>TAX SERVICES                                                                                                                                                                                                                      | UC EMPLOYER<br>RESOURCE CENTER                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>SERVICES PROVIDED   | <ul style="list-style-type: none"><li>• Registering for a UC tax account number.</li><li>• Contribution tax rates.</li><li>• Filing and paying quarterly wage and tax information.</li><li>• Coverage and liability.</li><li>• Audits.</li></ul> | <ul style="list-style-type: none"><li>• Claimant eligibility to receive UC benefits.</li><li>• Employer liability for worker benefits.</li><li>• Employer relief from charges.</li></ul>                                                                                         |
| <br>GO TO OUR WEBSITE   | <p>Visit <a href="#">Unemployment Compensation Tax Services</a> for additional information.</p> <p>View our <a href="#">Employer Quick Guide</a> for a list of UC contact options by topic.</p>                                                  | <p>Visit <a href="#">UC For Employers</a> for additional information.</p> <p>View our <a href="#">Employer Quick Guide</a> for a list of UC contact options by topic.</p>                                                                                                        |
| <br>CALL US           | <p>866-403-6163</p> <p>Monday – Friday<br/>7:30 AM – 4 PM EST</p>                                                                                                                                                                                | <p>833-728-2367</p> <p>Monday – Friday<br/>8 AM – 4 PM EST</p>                                                                                                                                                                                                                   |
| <br>SUBMIT AN INQUIRY | <p>Submit an inquiry in <a href="#">UCMS</a> when you are logged into your account.</p> <p>OR</p> <p>Submit an inquiry at <a href="#">UC Tax Inquiry</a>.</p>                                                                                    | <p>Submit an inquiry in <a href="#">PA UC System</a> when you are logged into your account.</p> <p>OR</p> <p>Send an email to <a href="mailto:ucemployerhelp@pa.gov">ucemployerhelp@pa.gov</a>. Please include your employer account number and the nature of your question.</p> |

# APPENDICES

## APPENDIX A – GLOSSARY

This section defines commonly used terms and acronyms.

**Appeal** – A process for requesting a formal review of a prior UC decision.

**Base of Operation** – A location from which employees usually start and return to work.

**Base Period** – The window of time used to determine UC benefit eligibility. At the time an initial claim for benefits is filed, wages from the first four of the last five completed calendar quarters are reviewed to determine UC benefit eligibility.

**Benefit Week** – A seven-day period during which a claimant has an active claim. The benefit week begins on Sunday and ends at midnight the following Saturday.

**Benefit Year** – Also referred to as a Claim Year, this is the 52 weeks from the Claim Effective Date to the Claim End Date.

**Benefits** – The money given to eligible individuals who are unemployed due to no fault of their own.

**Claim Effective Date** – The Sunday of the week in which an initial claim for benefits is filed.

**Claim End Date** – Also referred to as a Benefit Year End (BYE), this is the last Saturday of a Benefit Year. This falls 52 weeks after the Claim Effective Date.

**Claimant** – An individual (former employee) who files a claim for UC benefits.

**Contributions** – UC tax payments.

**Credit Weeks** – Any calendar week in the base year for which the worker earned \$116 or more.

**Cross-Matches** – The automated comparison of data from various sources, including, but not limited to, UC claim information, employer account information, other agency data, etc., to detect potential fraudulent characteristics.

**Determination** – A document that explains a decision made by L&I staff regarding benefit eligibility for a claimant or the tax status of an employer. Determinations are based on PA UC Law and provide information on appeal rights. Sometimes referred to as an assessment.

**Federal Unemployment Tax Act (FUTA)** – Federal law that levies a federal unemployment tax on businesses with employees. FUTA funds the federal share of the costs of administering state unemployment law. In addition, FUTA covers some administrative costs of job service programs, pays one-half the cost of extended unemployment benefits (that trigger on during periods of high unemployment) and provides for a fund from which states may borrow to pay benefits temporarily when there are insufficient funds in the state's own UC Fund.

**Fraud** – Knowingly claiming or accepting UC benefits illegally. Fraud is a crime.

**Gross Wages** – The amount of money paid for work before taxes and deductions are taken out.

**Maximum Benefit Amount (MBA)** – The maximum amount of benefits a claimant may receive during a benefit year.

## APPENDIX A – GLOSSARY

**Misconduct** – Careless or deliberate behavior that results in an employee being fired or suspended from a job. Examples include dishonesty related to employment, unexcused absences, or violation of a company policy.

**National Directory of New Hires (NDNH) –**

A national database used to: (1) assist state child support agencies in locating parents and enforcing child support orders and (2) cross-match claims to prevent and/or detect Benefit Year Earnings (BYE) errors.

**Penalty** – An amount of money charged to an employer for improperly reporting information or failing to pay their UC taxes.

**Quarter 1 (Q1)** – January 1 through March 31.

**Quarter 2 (Q2)** – April 1 through June 30.

**Quarter 3 (Q3)** – July 1 through September 30.

**Quarter 4 (Q4)** – October 1 through December 31.

**Predecessor** – An enterprise that transfers all or part of its organization, trade, business or workforce to another enterprise.

**Professional Employer Organization (PEO) –**

A firm that provides a service under which an employer (client) can outsource employee management tasks, such as employee benefits, payroll, unemployment insurance, worker's compensation, recruiting, risk/safety management, and training and development. The PEO does this by hiring a client company's employees thereby creating a co-employment relationship with the client company.

**Refund** – Money given back to an employer for overpayment.

**Reimbursable Employer** – A non-profit organization or government agency that is billed for the UC benefits received by its former workers.

**Separation** – When an employee or employer ends the working relationship. This can be due to a quit, discharge, leave of absence, suspension, or layoff.

**Social Security Number (SSN)** – A nine-digit number issued by the Social Security Administration (SSA) to identify an individual who may work or receive government services.

**State Unemployment Tax Act (SUTA)** – A law that describes the state UC taxes imposed on employers. State UC tax laws vary by state and each state determines its own SUTA rate and rating methodology within the framework of the Federal Unemployment Tax Act (FUTA).

**Successor** – An enterprise that acquires by transfer all or part of the organization, trade, business or workforce from another enterprise.

**Taxable Wage Base** – The maximum amount of wages subject to taxation for any employee paid by the same employer in a given year.

**Third-Party Administrator (TPA) –**

An organization that serves as an employee representative by managing administrative tasks, such as employee benefits or payroll processing, on behalf of another company.

## APPENDIX A – GLOSSARY

**UC** – Unemployment compensation, which is the benefit program for workers who become unemployed through no fault of their own.

**UC Fund** – A fund established in the Treasury of United States into which UC contributions (taxes) are paid and from which UC benefits are paid.

**Voluntary Quit** – Resigning from or leaving one’s job without being terminated. For UC purposes, an individual who voluntarily leaves his or her job without “good cause,” as defined by state statute, is not eligible to collect UC benefits.

**Wages** – Any payment an employer gives to an employee for their work, including money and the value of non-cash payments. However, only cash wages count toward the coverage of agricultural labor and domestic services.

**Weekly Benefit Amount (WBA)** – The maximum amount of money a claimant is eligible to receive per benefit week.

## APPENDIX B – UC EMPLOYER FORMS

Pennsylvania employers frequently receive a variety of information requests from UC staff who approve and process employee UC benefit claims. These requests have different purposes, recipients, and are sent at different stages of the claims process. To help you reply efficiently and accurately, the charts below provide additional detail on the types of requests you may receive, the type of documents requested, and whether the information is for base year or separating employers.

When a UC claimant opens a claim, the following forms are generated for employers:

| Form                                      | Description                                                                                                                                                                           | Type of Document | Base Year Employers | Separating Employers |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|----------------------|
| Notice of Claim Filed (UC-45)             | Informs the employer a claim was filed. Asks for separation reason and information about post-separation payments.                                                                    | Administrative   | X                   | X                    |
| Monetary Determination (UC-44F)           | Displays the quarterly wages and credit weeks along with weekly and maximum benefit amounts. It will indicate if dependents' allowance is payable.                                    | Appealable       | X                   |                      |
| Request for Relief from Changes (UC-44FR) | The employer may complete this form to request relief. They may also submit request in the PA UC system.                                                                              | Administrative   | X                   |                      |
| Fact-finding Request                      | If the claimant raises an eligibility issue where the employer is a party, the employer will receive an email (or mailed) request to log in (or call us) to answer further questions. | Administrative   | X (as needed basis) | X                    |

After eligibility is determined:

| Form                      | Description                                                                                                                                                     | Type of Document | Base Year Employers | Separating Employers |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|----------------------|
| Eligibility Determination | Informs the employer if the claimant was found eligible or ineligible for benefits based on UC law. A separate determination is issued for each section of law. | Appealable       | X (as needed basis) | X                    |

Monthly:

| Form                       | Description                                                                                                                                                                                                            | Type of Document | Base Year Employers | Separating Employers |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|----------------------|
| Charging Statements UC-150 | A quarterly statement sent to reimbursable employers that informs them which former employees collected benefits, the weekly payments made in the prior quarter and the amount of benefits the employer is liable for. | Administrative   | X                   |                      |
| Charging Statements UC-640 | A monthly statement sent to contributory employers that informs them which former employees collected benefits, the weekly payments made in the prior month and the amount of benefits the employer is liable for.     | Administrative   | X                   |                      |

## APPENDIX C – LEGAL DISCLOSURES

### DATA SHARING AGREEMENT

Under state and federal law, government agencies may access private and confidential employment information when necessary for specific official purposes including, but not limited to:

- Verification of an individual's eligibility for other government programs.
- Compliance activities.
- Fraud detection and criminal investigations.
- Research and evaluation of publicly funded employment and training programs.
- Studies concerning growth management.

### YOUR PRIVACY MATTERS TO US

Any information shared with other agencies will be treated as private and confidential, subject to penalties. UC information is confidential under Federal and State law and may only be disclosed under limited circumstances. For additional information regarding confidentiality, please review 20 CFR Part 603, 43 P.S. § 766, and 34 Pa. Code § 61.25. For additional information regarding public record disclosure, please visit <https://www.openrecords.pa.gov/index.cfm> and <https://www.pa.gov/agencies/dli/resources/compliance-laws-and-regulations/right-to-know.html>.

## THANK YOU

Thank you for taking the time to review the important information in this handbook.

Remember, you can always [contact us](#) if you have questions about UC program requirements.