Resources for Washington businesses

Gain important insights about SharedWork and tax and wage requirements for a competitive workforce advantage!

Wednesday, May 4, 2022
11:50 AM - 12:55 PM
SharedWork & Tax and Wage

Welcome
In a survey of past employers using the SharedWork program:

- 97% SharedWork improved employee morale.
- 98% the program helped retain skilled workers.
- 99% would recommend SharedWork to another employer.

WIN with SharedWork

SharedWorkWA.com

Businesses, Employees, Families & Communities
Workers want: stability and security

Percentage of Workers Saying Job Quality Dimension is “Extremely” or “Highly” Important, 2020

- Stable and predictable pay: 92.2%
- Job security: 91.2%
- Having a sense of purpose and dignity: 90.3%
- Enjoying your day-to-day work: 89.8%
- Health and safety: 89.2%
- Level of pay: 85.8%
- Employee benefits: 83.5%
- Stable and predictable hours: 82.2%
- Power to change things about your job that you’re not satisfied with: 75%
- Career advancement opportunities: 73.4%
- Control over hours and/or location: 69.3%


Read the full article: https://blog.dol.gov/2022/04/07/how-a-new-collaboration-is-helping-us-improve-how-we-track-good-jobs
SharedWork Requirements

Employer Requirements for SharedWork:

1. Must be a legally registered business in Washington state.
2. Must have an Employment Security Department (ESD) number.
3. Must have at least two permanent employees, who are not corporate officers, affected by a reduction in hours and wages.
4. Continue to provide same benefits to employees.

Employee Requirements for SharedWork:

1. Employee must qualify for a valid claim. (680 hours)
2. All permanent employees may participate in SharedWork.
3. Be able and available for all scheduled hours by SharedWork employer.
Ryna’s remodeling company is experiencing supply delays, and it’s impacting a few jobsites. She employs 40 individuals.

In lieu of layoffs. Ryna has enough work for 32 full-time employees. The employer is able to avert the continued layoff of 8 full-time employees by keeping all 40 employees and reducing the workweek.

Reduced workweek. The employer reduced the workweek from 40 hours to 32 hours, which is a reduction of 20 percent and permissible under federal law, actually anywhere from 10-50% is acceptable reduction each week with SharedWork.

Summary. The 40 returning employees would each receive 80 percent of their wages from their employer, while also remaining eligible for 20 percent of their respective weekly benefit amount under SharedWork.
Scenario: 20 percent payroll reduction

<table>
<thead>
<tr>
<th>Without SharedWork</th>
<th>Laid off worker</th>
<th>Full-time employee</th>
<th>With SharedWork</th>
<th>Full-time employee at 20% reduction</th>
<th>Part-time employee at 20% reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 employees laid off</td>
<td>$800 ($20 \times 40 \text{ hrs})</td>
<td>$800 ($20 \times 40 \text{ hrs})</td>
<td>40 employees working 20% fewer hours.</td>
<td>$800 ($20 \times 40 \text{ hrs})</td>
<td>$600 ($20 \times 30 \text{ hrs})</td>
</tr>
<tr>
<td>32 employees full-time</td>
<td>$400</td>
<td>$800</td>
<td></td>
<td>$800</td>
<td>$480</td>
</tr>
<tr>
<td>Average Weekly Income (before reduction)</td>
<td>Hours worked</td>
<td>Weekly Benefit (Unemployment Insurance)</td>
<td>Weekly Wage</td>
<td>Weekly Income without SharedWork</td>
<td>Weekly Income with SharedWork</td>
</tr>
<tr>
<td>$800 ($20 \times 40 \text{ hrs})</td>
<td>$400</td>
<td>$0</td>
<td>$800</td>
<td>$400</td>
<td>$720</td>
</tr>
<tr>
<td>Hours worked</td>
<td>0</td>
<td>40</td>
<td></td>
<td>32</td>
<td>24</td>
</tr>
<tr>
<td>Weekly Benefit (Unemployment Insurance)</td>
<td>$400</td>
<td>$0</td>
<td></td>
<td>$80</td>
<td>$60</td>
</tr>
<tr>
<td>Weekly Wage</td>
<td>0</td>
<td>$800</td>
<td></td>
<td>$640</td>
<td>$480</td>
</tr>
<tr>
<td>Weekly Income without SharedWork</td>
<td>$400</td>
<td>$800</td>
<td></td>
<td>$720</td>
<td>$540</td>
</tr>
<tr>
<td>Average Weekly Income (before reduction)</td>
<td>Hours worked (reduced by 20%)</td>
<td>Weekly Benefit (Unemployment Insurance)</td>
<td>Weekly Wage</td>
<td>Weekly Income with SharedWork</td>
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How It Works

1. The employer calls SharedWork at 800-752-2500 option 3 to check business eligibility.
2. The employer assigns a SharedWork representative and submits an Employer Plan Application and a Participant List.
3. Once the employer plan is approved, each participant submits an Employee Application and begins filing weekly claims.
4. The employee receives earned wages and a share of unemployment insurance benefits when hours are reduced.
5. The employer representative checks the weekly SharedWork Payments Report for accuracy.
“At times you may need to reduce hours or get assistance with payroll while adjusting your business to the economy. Our employees have been very excited to keep their job and maintain their income with the SharedWork program, and we have been excited to keep our skilled, trained workers. SharedWork helps us to keep running our business full speed.”
Sharon Grant, O’Ryan Industries

“Client care has ebbed and flowed based on the pandemic, and Shared Work has given us the flexibility to take care of our staff, while saving payroll when there isn’t enough work – (as a non-profit, this is especially important!)”
Michael LaTour, Associate Director

“Our employees are thankful we used it, and happy they do not have to draw full unemployment. There are so many advantages to SharedWork. We do not know what the future will bring. Get approved for SharedWork!”
Erica Baldridge, Director of Human Resources

“What felt like the right thing for our employees was not just to pick five or ten of our newest employees and let them go because of the pandemic ... and so SharedWork saved us!”
Erica Baldridge, Director of Human Resources
Employers can verify their eligibility in minutes and get answers by calling 800-752-2500 and choosing Option 3.

800-752-2500
8am to 4pm, Monday through Friday

Option 1 – Claims
Option 2 – Existing Plans
Option 3 – New Plan Inquiry
Option 4 – I was asked to call sharedworkplansect@esd.wa.gov

More ways to learn about SharedWork

- Watch a commercial by clicking here.
- The SharedWork program will be hosting many regional and statewide free virtual events for employers in Washington. Check out our event lineup: esd.wa.gov/SharedWork/events
- The SharedWork program will be hosting weekly webinars through the year end to help businesses get informed. Wednesdays 8:15 am SharedWork Q&A for businesses. Click here to register.
- Download the SharedWork info card by clicking here.
Tax & Wage

One call resolution for all customers who need assistance
Tax & Wage

KEY COMPONENTS OF TAX & WAGE

- Report filing and payments
- Tax rate calculation
- Relief of benefit charges
- Wage and hour adjustments (amendments)
- Waivers of penalties & interest
- Audit and investigation program
- Refunds
Overview of UI Tax

- Reports & payments are due quarterly. Late payments & reports are assessed penalties & interest and could affect your annual tax rates.
- To report & pay go to www.esd.wa.gov.
- The tax due is calculated by multiplying the taxable wages by the tax rate. Wage base 2020 = $52,700, 2021 = $56,500
- Amendments: corrections to reports. Employers have three years to amend. Amendments may impact your tax rate.
- Waivers: Employer may be granted a waiver of penalties & interest.
- Tax Rates: Delinquent rates will be assessed if late penalties & interest.
Example of 2021

The tax due is calculated by multiplying the taxable wages by the tax rate.
Wage base 2021 = $56,500

- If the employee's salary = $55,000, pay taxes on $55,000.
- If the employee's salary = $57,000, pay taxes on $56,500 of their wages.

The amount over the taxable wage base of $56,500 ($500 in the example) is considered excess wages. Excess wages are reported (for unemployment-insurance benefits purposes), but are subtracted from the employee's total wages, so they do not pay taxes on the amount above the taxable wage base.

The taxable wage base for 2022 is $62,500.
Common questions

- What is my billing statement for?
  - This is a balance due on your tax account.
- How do I file & pay my quarterly taxes?
- How do I update my address, close my account or update owner/officers?
  - Fill out business change form 5208C-1 or owner/officer change form: [https://esd.wa.gov/employer-taxes/forms-and-publications](https://esd.wa.gov/employer-taxes/forms-and-publications)
- I entered the wrong SSN, name or hours and wage information and I need to correct my quarterly filing. How do I fix it?
  - File an amendment thru EAMS [www.esd.wa.gov](http://www.esd.wa.gov) or submit a paper Amended tax & wage report(5208D) form: [https://esd.wa.gov/employer-taxes/forms-and-publications](https://esd.wa.gov/employer-taxes/forms-and-publications). Email [UIFILES@ESD.WA.GOV](mailto:UIFILES@ESD.WA.GOV), mail to UI Tax & Wage PO BOX 9046 Olympia, WA 98507-9046 or fax 800 794 7657
- I received a Benefit Charge Notice. What is this?
  - This is advising employers a former employee is claiming UI and their tax account is being charged. To request relief of benefit charges email [UIFILES@ESD.WA.GOV](mailto:UIFILES@ESD.WA.GOV), mail to UI Tax & Wage PO BOX 9046 Olympia, WA 98507-9046 or fax 800 301 01796 within 30 days.
Tax & Wage
Basic overview of the UI Tax Experience Rates

TAX RATES

- Tax Rates are made up of three components: UI tax rate, Social cost & the EAF (Employment Administrative Fund). For 2021, Social cost is capped at .5% and .75% for 2022.

- Rates are based on your experience. Benefit charges and taxable wages reported in a four-year window. 40 rate classes.

- Tax Rate Notices are calculated and mailed in December every year.

- Request review of tax rates email UIFILES@ESD.WA.GOV.
BENEFIT CHARGES

- Benefit Charging Notice: Notifies you that you could be charged & states details of claims.
- Quarterly statement of benefit charges.
- Request relief of charges email UIFILES@ESD.WA.GOV.
- Reasons for granting relief of Benefit Charges:
  - Voluntary quit
  - Discharged for misconduct
  - Catastrophe
  - Employee continues to work on regular, perm part time basis, separated from another base year employer.
  - Employee continues to work for same employer on part time basis & eligible for relief on prior claim & qualifies for two consecutive claims.
  - Employee was laid off after being hired to replace activated military reserve or guard mbr when military person is deactivated and returns to employment.
  - Employee was laid off after being hired to replace an employee out on Paid Family Medical Leave and returns to employment
  - Employee was discharged because the individual was unable to satisfy a job prerequisite required by law or administrative rule
What is it?

- Standard Occupational Classification (SOC) is a federal coding system used to identify occupations and workers.
- Data is used to analyze workforce demand and evaluate the effectiveness of training programs.

History

- Stemmed from the recommendation by Future of Work Task Force in 2019
- Washington State House Bill 2308 – SOC codes implemented into quarterly tax report
- In addition, Washington is following in the footsteps of other states, including Alaska and Indiana.

When is it mandatory?

- When your fourth quarter 2022 report is due January 31, 2023.
Starting in Nov. 2021 through third quarter 2022:

- All EAMS Single Filer users can look up and provide SOC codes.
- Use the new SOC lookup tool to find the most accurate codes for each of your employees. [https://www.bls.gov/soc/2018/major_groups.htm](https://www.bls.gov/soc/2018/major_groups.htm). A link to this page is available on our website. [https://esd.wa.gov/employer-taxes/about-soc](https://esd.wa.gov/employer-taxes/about-soc)

When is it mandatory?

- When your fourth quarter 2022 report is due January 31, 2023.

What happens if you don’t file SOC codes starting with your fourth quarter 2022 tax report?

- You could get a penalty for incorrect or incomplete SOC code reporting. But don’t worry! We are here to help you. If you have any questions about how to report SOC codes, just send us an email at socreporting@esd.wa.gov.
Open Mic – Q&A
Resources for Washington businesses
Gain important insights about SharedWork, WOTC and Federal Bonding programs for a competitive workforce advantage!

Wednesday, June 1, 2022
11:50 AM - 12:55 PM
SharedWork and Work Opportunity Tax Credit (WOTC)

Next webinar
Thank you!