

## Voluntary Contribution Notice

### What every employer should know about Voluntary Contributions

#### Overview

Beginning in 2016, Rhode Island will offer employers the opportunity to reduce their unemployment insurance tax by making a voluntary contribution to their unemployment insurance account. The contribution will be applied as an additional credit for the qualifying year potentially increasing the accounts reserve percentage and decreasing the experience rate for the calendar year.

#### Determine your Eligibility?

Employers are not eligible for voluntary contributions during the current year if:

- ❖ They have a new employer tax rate and therefore do not have experience history sufficient enough to compute an experience tax rate.
- ❖ They have not filed all required Quarterly Tax and Wage Reports (TX-17), required information, or have an Accounts Receivable balance with the Employer Tax Unit.
- ❖ They already have the lowest possible experience tax rate.
- ❖ They had an acquisition after April 30th of the qualifying year.
- ❖ They are a Reimbursable employer.

If your company is delinquent you may file any outstanding report(s), pay the amount due and make a voluntary contribution. Any outstanding debt must be paid separately and not included with your contribution payment.

#### How to make a Voluntary Contribution payment?

Payments must be made only by certified check or money order which clearly indicates that it is for a payment of a voluntary contribution. All payments must accompany a Voluntary Contribution Application and include the employer registration number (ERN) in the memo. The eligible payment in its entirety is non-refundable. All payments received will be applied to only the current year's voluntary application unless upon receipt the account is delinquent, missing returns or required information. In that case, the contribution will be applied to the preexisting balance on the account. If the payment exceeds the liabilities then the remaining amount may be refunded. For qualifying employers, all voluntary contributions will be applied to the account and they are non-refundable.

#### When can a Voluntary Contribution be made?

Every December Rhode Island Department of Employer Tax will notify employers of their experience tax rate for the coming year. Included in this yearly mailing will be the Voluntary Contribution Application. Each application is due 30 days after the indicated mailing date of the Experience Rate Tax notice or prior to the expiration date, which is 120 days from the first day of the calendar year (April 30<sup>th</sup>- in cases where an employer is newly registered or rerated) whichever comes first. All employers will be notified in writing with a revised rate notice no later than 30 days after the receipt of the application and payment. Only one voluntary contribution can be made per qualifying year.

If you have questions regarding your company's eligibility, questions can be directed to Employer Tax at (401) 574-8767.