

Tennessee
Unemployment Insurance

HANDBOOK
for
EMPLOYERS

August 2005

FOREWORD

The United States Congress enacted the unemployment insurance laws during the Great Depression. The theory was then and remains true today that putting money into the hands of the unemployed helps the unemployed, his family, his community, his state and the nation as a whole.

The idea is to replace about half of lost income so the unemployed can pay for necessities during short terms of unemployment. At the same time, goods and services continue to be bought and sold in the community, helping the local economy remain stable. Other government programs, such as welfare and food stamps, are less strained since unemployment is, in effect, a prepaid insurance policy. An unemployed worker with some income is less likely to move to another community to find a job, so the work force in the area remains stable.

Most employers who have workers in Tennessee are liable to pay the state unemployment insurance premiums and the Federal Unemployment Tax (FUTA). State premiums are paid quarterly.

The Tennessee Department of Labor and Workforce Development's Division of Employment Security designed this Handbook to help employers understand the unemployment insurance system, to help make compliance with the unemployment insurance laws as simple as possible, and to help the employer benefit from the unemployment insurance system.

If you have any questions or need help, contact your area's [Employer Accounts Office](#) listed in the Directory on page 2 of this Handbook or call the toll-free help-line: 1-800-344-8337 and select 1 (call 1-615-741-2346 if out of state).

You can also visit the Tennessee Department of Labor and Workforce Development Web Site at:

www.tn.gov/labor-wfd/

TABLE OF CONTENTS

PAGE

INTRODUCTION	1
DIRECTORY OF PHONE NUMBERS	2
DEFINITION OF TERMS	4

EMPLOYER ACCOUNTS PROVISIONS

APPLYING FOR AN EMPLOYER ACCOUNT NUMBER	7
SUTA DUMPING	7
Examples of SUTA Dumping	8
Punishments and Penalties for SUTA Dumping Violations	8
SUTA Dumping Detection	9
LIABILITY	
Date of Liability	9
Who is Liable	9
Mergers and Successorships	10
<i>Definition of "Successor"</i>	10
<i>Notification of Change in Ownership Required.</i>	10
<i>Mandatory Transfer of Experience.</i>	10
<i>Other Successors</i>	11
<i>Applications for Transfer of Experience Rating Record</i>	11
Common Paymaster	12
Terminations and Inactive Accounts	12
STAFF LEASING COMPANIES	12
Aggregate State Numbers and Client Account Numbers	12
Wage and Premium Reports for Staff Leasing Companies and Their Clients	13
Staff Leasing Companies and Their Clients Are Normally Not Successor Employers.	13
Staff Leasing Companies' Experience Rating and Aggregate Reserve Ratios	14
New Employer Premium Rates for Staff Leasing Companies' Aggregate State Numbers	14
Joint and Several Liability Between Staff Leasing Company and Client	15
WHO ARE EMPLOYEES?	15
Employee or Independent Contractor?	15
Inclusions	16
Exclusions	17
HAVING EMPLOYEES IN MORE THAN ONE STATE	18
In Which State is an Employer Liable?	18
Things to Know When You Have Employees in More than One State	19
PREMIUMS AND TAXES	19
Explanation	19
Taxable Wage Base	20
Federal Unemployment Tax Act (FUTA)	20
State Premiums	20
New Employer Premium Rates	20
Premium Rate Charts	23
Tennessee Job Skills Fee	25
WAGES	25
Definition	25

Meals and Lodging and Clothing	25
Tips	25
Severance Pay	26
Sick Pay and Medical Expenses	26
Gifts and Bonus	26
Deferred Compensation	26
Cafeteria Plans	26
Back Pay Awards	26
EXPERIENCE RATING	27
Definition	27
How and When an Employer Qualifies for Experience Rating	28
How an Employer’s Premium Rate is Computed	28
Notice of Employer Premium Rate	28
Appealing Your Premium Rate	28
REIMBURSING EMPLOYERS	29
Definition	29
Reporting Wages	29
Benefit Payments and Charges	29
RECORD KEEPING AND AUDITS	30
Record Keeping	30
Audits of Employer Records	30
WAGE AND PREMIUM REPORTS	31
Filing	31
Reporting Total Monthly Employment	31
Reporting Wages	31
Filing Wage Information on Plain Paper	32
Filing Wage Reports Electronically (mandatory with 250 or more employees)	33
Filing Wage and Premium Reports on the Internet (TNPAWS) http://tnpaws.tnui.net	33
Paying Premiums Electronically by Automated Clearing House (ACH) Credit	35
Extension of Time to File	35
“No Payroll” Reports	35
Underpayments and Overpayments	36
Correcting Reports	36
ADDITIONAL CHARGES, PENALTIES AND ENFORCEMENT	37
Interest Charges	37
Penalty Charges	37
Assessments	38
Assessment for Failure to File Wage and Premium Reports	38
Jeopardy Assessments	38
Liens	38
Injunctions	38
Revoking Corporate Charters and Dissolving Limited Liability Companies	38
Benefit Accuracy Measurement (BAM)	38
MULTIPLE WORKSITE REPORT	38
POSTING OF NOTICES	39
POINTS OF EMPLOYERS SHOULD REMEMBER REGARDING EMPLOYER ACCOUNTS PROVISIONS	39

BENEFIT PROVISIONS

CHARGING OF EMPLOYER FOR BENEFITS	40
Charges	40
Noncharges	40
Benefit Overpayments	41
Other Benefit Charges	41
Separating Employer's Notice of Claim Filed and Request for Separation Information	41
Base Period Employer's Employer Notice of Claim Filed Card	42
Statement of Benefit Charges	42
SEPARATION NOTICES	42
Employers Required to Use	42
Mass Separation Notice	43
NEW HIRE REPORTING	43
BENEFIT ELIGIBILITY	44
Requirements	44
Weekly Benefit Amount	44
Maximum Benefit Amount and Duration of Benefits	44
Deductible Allowance	44
BENEFIT DISQUALIFICATIONS	45
Voluntary Quits	45
Sick or Disabled	45
Pregnancy	45
Joining Armed Services	45
Misconduct	46
Refusal to Seek or Accept Suitable Work	46
Labor Disputes	46
Wages in Lieu of Notice	46
Severance Pay	46
Monetary Incentives to Voluntarily Separate from Employment	46
Worker's Compensation	47
Benefits from Another State	47
Vacation Pay	47
Retirement, Pensions, Social Security	47
Training	47
G.I. Bill	47
School Attendance	47
Professional Sports	48
Illegal Aliens	48
Educational Employees	48
Profiled Claimants Referred to Reemployment Services	48
APPEAL RIGHTS	48
Agency Decision	48
Appeal to Appeals Tribunal	48
Appeal to Board of Review	49
Appeal to Court	49
Benefit Payments, Overpayments and Charges During Appeal	49
CLAIMS FOR BENEFITS	50
When the Employer Files the Claim	50
Tennessee Claims Filed by Residents of Tennessee	50
Tennessee Claims Filed by Residents of Another State	50
Internet Claims	50

PARTIAL UNEMPLOYMENT	50
Definition	50
When an Employer Must File	51
Joint Low Earnings Report and Claim for Benefits for Partial Unemployment	51
Filing Partial Claims by Computer Diskette or Modem	51
Timely Filing of Partial Claims	52
MASS LAYOFFS	52
INTERSTATE CLAIMS	52
FRAUD	53
Penalties Set Forth by Law	53
Prevention and Detection	53
POINTS EMPLOYERS SHOULD REMEMBER REGARDING BENEFIT PROVISIONS.	54

JOB SERVICE PROVISIONS

WHAT IS JOB SERVICE	55
LISTING JOB OPENINGS WITH JOB SERVICE	56
How to List a Job Opening	56
Where to List a Job Opening	56
Completing a Job Order	57
EMPLOYER SERVICES PROVIDED BY JOB SERVICE	57
Pre-screening Applicants	57
Pre-testing of Clerical Personnel	57
On-Site Screening	57
Office Space	57
Co-advertising	57
Referral to Training	57
America's Job Bank	58
Professional Referrals	58
SERVICES PROVIDED PERSONS LOOKING FOR WORK	58
OBLIGATIONS OF EMPLOYERS WITH FEDERAL CONTRACTS	58
Required to List Job Openings with Job Service	58
Veteran Preference	58

RESEARCH AND STATISTICS AND LABOR MARKET PROVISIONS

FREE LABOR MARKET INFORMATION	59
THE SOURCE	59
WHERE TO OBTAIN LABOR MARKET INFORMATION	59

MISCELLANEOUS

FORMS OF INTEREST TO TENNESSEE EMPLOYERS.	60
POSTERS REQUIRED TO BE DISPLAYED BY EMPLOYERS	61
INDEX.	

FORMS

Report to Determine Status, Application for Employer Number 69
Application for Transfer of Experience Rating Record 71
Wage Report (Sample) 73
Premium Report (Sample) 75
Claim for Adjustment or Refund 77
Multiple Worksite Report (Sample) 79
Notice of Claim Filed and Request for Separation Information 81
Employer Notice of Claim Filed (Sample) 83
Statement of Benefits Charged to Employer’s Experience Rating Account (Sample) 85
Separation Notice 87
Mass Separation Notice 89
Joint Low Earnings and Claim for Benefits for Partial Unemployment 91
Unemployment Insurance Audit (Sample) 93

SOCIAL SECURITY NUMBER back cover

INTRODUCTION

Unemployment insurance provides benefits to unemployed workers who have lost their jobs through no fault of their own. The Tennessee Department of Labor and Workforce Development's Division of Employment Security administers the unemployment insurance program in Tennessee.

Unemployment insurance is a joint federal-state program. State laws must conform to certain standards in the Federal Unemployment Tax Act (FUTA) which is administered by the U.S. Department of Labor. Each state is able to establish laws and regulations within the federal guidelines, which meet the state's own employment and unemployment needs.

All state premiums go into the Tennessee Unemployment Compensation Trust Fund. The Trust Fund is funded entirely by the state premiums and is used solely to pay unemployment benefits to unemployed workers who have worked in Tennessee and lost their jobs through no fault of their own. All administrative costs of the Tennessee unemployment insurance program are paid by the federal government from FUTA taxes.

The information in this Handbook does not take precedence over law or regulations and is subject to change at any time as a result of law revisions, court rulings, the Attorney General's interpretations, new federal requirements and agency procedural changes. We have noted the sections of the law where appropriate for reference purposes only.

DIRECTORY

Appealing a Claim for Benefits	1-615-741-1857, FAX 1-615-741-8933	
Appealing a Premium Rate	1-615-741-2486, FAX 1-615-741-7214	
Account Number	1-615-741-2486 or call your local Employer Accounts Office listed below	
Audits	call your local Employer Accounts Office listed below	
Back pay Awards	1-615-741-2606	
Benefit Charges	1-615-741-2223	
Benefits, Claims for	go to: Claims Offices or call 1-800-576-3467	
Benefit Overpayments	1-615-741-2606, FAX 1-615-741-3469	
Board of Review	1-615-741-2736, FAX 1-615-741-0290	
Career Centers	go to or call 1-800-576-3467 for the Career Centers or Job Service Office nearest you	
Claims Offices	call 1-800-576-3467 for where to go or call to file a claim in your county	
Employer Accounts Offices		
Chattanooga	311 Martin Luther King Blvd Chattanooga, TN 37403 P.O. Box 231, 37401-0231	1-423-634-6220, FAX 1-423-634-6354
Columbia	204 West 4th Street Columbia, TN 38401 P.O. Box 1019, 38402-1019	1-931-380-2507, FAX 1-931-380-2586
Cookeville	3300 Williams Enterprise Drive Cookeville, TN 38506 P.O. Box 696, 38503-0696	1-931-526-3531, FAX 1-931-528-6447
Humboldt	1481 Mullins Street Humboldt, TN 38343 P.O. Box 386, 38343-0386	1-731-784-7666, FAX 1-731-784-7537
Johnson City	206 High Point Drive Johnson City, TN 37601 P.O. Box 90, 37605-0090	1-423-952-2261, FAX 1-423-952-6057
Knoxville	1610 University Avenue, Ste 221 Knoxville, TN 37921 P.O. Box 2031, 37901-2031	1-865-594-6380, FAX 1-865-594-6357
Memphis	1309 Poplar Avenue Memphis, TN 38104 P O Box 41378, 38174-1378	1-901-543-7543, FAX 1-901-543-7882
Nashville	2232 Metro Center Blvd Nashville, TN 37245-4100	1-615-741-2621, FAX 1-615-741-3472
Employment Statistics	1-615-741-2284	
Fraud	1-615-741-2606 toll-free: 1-800-344-8337 Email esadmin.fraud@state.tn.us	
Labor and Workforce Development Office	call 1-800-576-3467 for the nearest Career Center/Job Service Office or Claims Office	
Labor Market Information	1-615-741-2284	
Liabilities questions	1-615-741-2486 or call your local Employer Accounts Office	
New employer	1-615-741-2486 or call your local Employer Accounts Office listed above	
Job Service Office	call 1-800-576-3467 for the nearest you Career Center/Job Service Office	
Partial Claims, electronic filing of	1-615-253-0828	
Premium Rates	1-615-741-2486 or call your local Employer Accounts Office listed above	
Research and Statistics	1-615-741-2284	
Central Office		
Nashville	220 French Landing Drive 37243-1000	1-615-741-2284, FAX 1-615-532-9434
Research and Statistics Field Offices		
Chattanooga	311 Martin Luther King Blvd. 37401-2088	1-423-634-6302, FAX 1-423-634-6316
Clarksville	350 Pageant Lane, Suite 406 37040-3854	1-931-648-5514, FAX 1-931-648-5564
Cleveland	173 Broad Street SW 37311-5035	1-423-478-0321, FAX 1-423-479-4872

Columbia	P O Box 1019 38402-1019	1-931-380-2506, FAX 1-931-380-2586
Cookeville	263 West Spring Street 38501-3268	1-931-528-8565, FAX 1-931-528-6447
Dresden	8714 Highway 22, Suite B 38225	1-731-364-6904, FAX 1-731-364-3005
Humboldt	1481 Mullins Street 38343-1729	1-731-784-8611, FAX 1-731-784-7537
Johnson City	206 High Point Drive 37601-1504	1-423-952-6062, FAX 1-423-952-6055
Knoxville	415 Walnut Street 37902-1413	1-865-594-6003, FAX 1-865-594-6266
Memphis	1309 Poplar Avenue 38104-2006	1-901-543-7856, FAX 1-901-543-7882

Toll-free help line

Wage and Premium Reports

correcting
electronic reporting
forms, paper
questions
Internet reporting

1-800-344-8337 (inside Tennessee only)

1-615-741-1619 or call your local [Employer Accounts Office](#) listed above
1-615-741-2346

1-615-741-2486 or call your local [Employer Accounts Office](#) listed above

1-615-741-2486 or call your local [Employer Accounts Office](#) listed above

<http://tnpaws.tnui.net>

DEFINITION OF TERMS

2% Penalty Rate for SUTA Dumping – the penalty rate levied against employers who have engaged in SUTA Dumping violations.

Administrator – Administrator of the Division of Employment Security within the Tennessee Department of Labor and Workforce Development.

Assessment — The determination of the amount of premiums due based upon available information when an employer fails to file his quarterly Wage Reports (LB-0851) and Premium Reports (LB-0456).

Base Period — The first four of the last five completed calendar quarters immediately preceding the establishment of a claimant's benefit year.

Base Period Employer — Any employer employing the worker during the worker's base period.

Benefits — Unemployment insurance payments to eligible claimants.

Benefit Week — The seven-day period ending Saturday at midnight.

Benefit Year — The 52-consecutive-week period beginning with the first day of the calendar week in which an individual files the first valid claim for benefits.

Calendar Quarter — A period of three months ending March 31, June 30, September 30, or December 31.

Calendar Week — The seven-day period ending Saturday at midnight.

Claimant — An individual who has applied for unemployment insurance benefits.

Client (of a Staff Leasing Company) — A person or business who obtains all or part of its workforce through a staff leasing arrangement with a staff leasing company.

Commissioner — The Commissioner of the Tennessee Department of Labor and Workforce Development.

Computation Date — December 31 of each year. The reserve ratio computed as of this date is applicable for a 12-month period beginning the following July 1.

Contributions — (see Premiums)

Department — The Tennessee Department of Labor and Workforce Development.

Division — The Division of Employment Security within the Department of Labor and Workforce Development.

Employer — Any employing unit that has met a condition of liability for unemployment insurance.

Employer Account Number — The eight-digit number (0000-000-0) assigned by the Department that is used for recording and filing all premium and benefit information related to each employer's account. Enter your Employer Account Number on all remittances to the Department and refer to this number in all correspondence concerning an account.

Employer Accounts Auditor — An employer's personal contact with the Department of Labor and Workforce Development's Division of Employment Security. There are approximately 60 auditors working out of the eight [Employer Accounts Offices](#) throughout Tennessee. One is assigned specifically to your area.

An Employer Accounts Auditor's duties include the auditing of employer's records, collecting delinquent monies and reports, determining employer liability, keeping the employers in his area updated on changes in unemployment insurance laws and policies, and assisting employers with problems or questions concerning unemployment insurance. Call your Employer Accounts Auditor when you need assistance. Your auditor will be happy to help you in any way he can. The [Employer Accounts Offices](#) are listed in the Directory on page 2 of this Handbook.

Employer Accounts Auditors carry identification issued by the Department. Employers should not hesitate to ask for proper identification.

Employer Accounts Office — Office from which Employer Accounts Auditors work. The eight [Employer Accounts Offices](#) are listed in the Directory on page 2 of this Handbook.

Experience Rating — A system under which premiums received from an employer are related to benefit charges and taxable wages to determine the employer's premium rate.

Extended Benefits — Benefits payable for up to 13 additional weeks during periods of high unemployment. Extended benefits are payable to individuals who have exhausted their entitlement to regular benefits.

FUTA — The Federal Unemployment Tax paid to the federal government by the employer.

Interested Parties — The Commissioner, the claimant, the separating employer, and all base period employers.

Labor and Workforce Development Office — The local office where an employer calls to list a job opening and an unemployed worker goes to file a claim for unemployment insurance benefits and/or to register with Job Service for assistance in finding employment. For the nearest local office call 1-800-576-3467 or go to <http://www.tn.gov/labor-wfd/Claimants/benefitoffices.html> for the nearest [benefit office](#) or <http://www.tn.gov/labor-wfd/cc/cccounty.htm> for the nearest [Career Center or Job Service Office](#).

Partial Claim — An employer-filed claim for an employee who worked less than full-time and earned some wages, but less than the employee's weekly benefit amount.

Predecessor — An employer acquired by another employer.

Premiums — Payments made by the employer into the Unemployment Compensation Trust Fund.

Protest — A request for review of any decision made regarding a claimant's eligibility for benefits or regarding an employer's liability status, or any action affecting an employer's account.

Reserve Ratio — The difference between cumulative premiums paid and cumulative benefits charged divided by the average annual taxable payroll for the three most recent calendar years ending on the December 31 computation date.

Separating Employer — The worker's most recent employer prior to his filing a claim for benefits. The Separating employer may or may not be a base period employer.

Separation Notice — A form that the Tennessee Employment Security Rules require every employer to give to every employee at the time the employee's employment terminates. Separation Notices are available online at www.tn.gov/labor-wfd/ or by calling 1-615-253-6122.

Staff Leasing Company — An individual or business that, under an agreement between the client and the staff leasing company, and for a fee, places all or substantially all of the regular, full-time employees of the client on the staff leasing company's payroll and leases them to the client on an ongoing basis with no restriction or limitation on the duration of employment.

Successor — An employer that has acquired the organization, trade, business, or substantially all the assets of an employer.

SUTA Dumping — the illegal act of employers moving employees from company to company to avoid paying unemployment insurance premiums at their true rate and to fraudulently acquire a lower rate.

Tax (Federal) — (see FUTA)

Tax (State) — (see Premiums)

Taxable Payroll — All taxable wages paid by an employer to all employees during a calendar year.

Taxable Wages — Wages up to \$9,000 per worker per calendar year.

TNPAWS – Internet reporting system to file Wage and Premium Reports over the Internet <http://tnpaws.tnui.net>

Trust Fund — The Unemployment Compensation Trust Fund established by Tennessee Employment Security Law to which all state unemployment premiums are paid and from which all unemployment benefits are paid.

Unemployed — A worker is considered “unemployed” in any calendar week during which he earns no wages or in any calendar week of less than full-time work during which he earns wages that are less than his weekly benefit amount.

Unemployment Insurance — The joint federal-state program that provides for payment of benefits to the unemployed and that collects premiums and wage information from employers to pay for the benefits and to determine an individual’s eligibility for unemployment benefits.

Unemployment Insurance Toll-Free Help-Line Number: 1-800-344-8337 — The toll-free automated attendant number for you to call if you have questions concerning unemployment insurance. This automated attendant can be called weekdays between 9:00 a.m. and 5:30 p.m. eastern time, and between 8:00 a.m. and 4:30 p.m. central time (call 1-615-741-2486 if out of state).

Wage Protest — An investigation initiated by a claimant who believes his wages were not reported correctly.

Waiting Period — The calendar week, after filing a valid claim that establishes a benefit year, during which the claimant received no wages or has received wages less than his weekly benefit amount. The claimant is not paid benefits for the waiting period unless and until the claimant is certified for benefits in the claimant's waiting period and in each of the three consecutive weeks immediately following the claimant's waiting period.

The claimant will get credit for the waiting week that ends on Saturday at midnight regardless of the day of filing the claim during the previous week.

Week of Unemployment — A calendar week during which a worker performed less than full-time work and earned less than his weekly benefit amount.

EMPLOYER ACCOUNTS PROVISIONS

APPLYING FOR AN EMPLOYER ACCOUNT NUMBER (RULE 0560-2-3-.01)

The Report to Determine Status, Application for Employer Number (LB-0441), is the application for an Employer Account Number for unemployment insurance purposes.

Every employing unit in Tennessee, regardless of the number of workers, is required to complete and file this report to determine the status of their liability for unemployment insurance in Tennessee. If the employing unit is liable for unemployment insurance in Tennessee, the employing unit will be assigned an eight-digit (0000-000-0) Employer Account Number. This Employer Account Number is used for recording and filing all unemployment insurance premium and benefit information relating to each employer's account. Enter this number on all unemployment insurance remittances to the Department and refer to it in all correspondence concerning your account.

Beginning January 1, 2003, each staff leasing company, which has one or more leased employees of a client in Tennessee, will be assigned an Aggregate State Number. The staff leasing company must also make certain that an Application for Client Number is filed for each client having one or more leased employees in Tennessee. (see STAFF LEASING COMPANIES, Aggregate State Numbers and Client Account Numbers).

The Report to Determine Status, Application for an Employer Account Number, for nongovernmental premium paying employers, as well as applications for government and nonprofit employers and clients of staff leasing companies are located on our web site, www.tn.gov/labor-wfd/:

click FORMS above the Mission Statement

click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS

click the appropriate:

REPORT TO DETERMINE STATUS, APPLICATION FOR AN EMPLOYER ACCOUNT NUMBER or

REPORT TO DETERMINE STATUS – STATE AND LOCAL GOVERNMENT or

REPORT TO DETERMINE STATUS – NONPROFIT ORGANIZATIONS or

APPLICATION FOR CLIENT NUMBER (applies only to clients of staff leasing companies)

In addition, Report to Determine Status applications may be obtained by calling your Labor and Workforce Development [Employer Accounts Office](#) listed in the Directory on page 2 of this Handbook or by calling toll-free: 1-800-344-8337 and pressing 1 (call 1-615-741-2486 if in the Nashville area or out of state).

Report to Determine Status, Application for an Employer Account Number, LB 0441

SUTA DUMPING¹ (Section 50-7-403(b)(2))

In 2005, Tennessee passed Public Chapter 357 to detect, prevent and severely penalize employers for SUTA Dumping. This law was mandated by the Federal SUTA Dumping Prevention Act of 2004, and is intended to save law abiding employers millions in unemployment insurance costs.

SUTA dumping is a scheme perpetrated by some companies and accounting firms to avoid an employer's fair share of unemployment insurance taxes by moving employees from company to company to avoid paying unemployment insurance premiums at their true rate and to fraudulently acquire a lower rate. This practice undermines the integrity of the unemployment insurance system. When some employers do not pay their fair share, unemployment insurance premium rates increase for employers who do not manipulate the system.

SUTA Dumping had always been contrary to the law, but the 2005 legislation strengthened Tennessee's existing law and provided for increased efforts for the prevention and detection of SUTA dumping. It also provided penalties sufficiently severe to discourage employers who might be tempted to manipulate their premium rates (see Punishments and Penalties for SUTA Dumping Violations below).

¹ State Unemployment Tax Act

Examples of SUTA Dumping

1. Shell company purchased A business with a large payroll and a high unemployment insurance premium rate purchases a shell company with a low premium rate and transfers its payroll to the purchased entity to get the lower premium rate.
2. Affiliated shell company transaction to gain a lower premium rate A new company is registered and a small payroll is reported each year until a low unemployment insurance premium rate is achieved. Once the low premium rate is achieved, large payroll amounts from another related company are transferred into the newer account.
3. Shifting payroll to avoid benefit charges Before a layoff, an employer with the same common ownership, management or control as a smaller employer, transfers his soon to be laid off workforce to the smaller employer, so that when the workers are laid off, most or all the benefit charges will be charged to the smaller employer. The smaller employer then goes out of business or operates with a reduced workforce, and the larger employer's premium rate is not affected by benefit charges. *NOTE: While this would apply mostly in states who charge 100% of benefits to the separating employer, it could happen in Tennessee if the employer anticipated the layoff a year or more ahead of time.*
4. New employer rate An employer with a high unemployment insurance premium rate files an application for a new employer account number to get the lower new employer rate. The payroll is then transferred to the new account.
5. Employee leasing company or Professional Employer Organization (PEO) shifting clients' accounts An employee leasing company or PEO with a high unemployment insurance premium rate shifts clients' payrolls to an account number affiliated with a related PEO with a lower premium rate.
6. Shifting clients from an employee leasing company or a PEO and then shifting them back again three years later An employee leasing company or PEO with a high unemployment insurance premium rate registers its clients with a new employee leasing company or PEO, and then, after three years when the premium rates go up, brings them back under the original employee leasing company or PEO at the new employer rate.
7. Payroll parking Two unrelated businesses, for a fee, negotiate to have all or part of the payroll of the business with the higher premium rate "parked" in the other business's account and reported at a lower unemployment insurance premium rate.
8. Partial reserve account acquisition for the purpose of reducing the average taxable wages. A new employer applies for a partial transfer of the reserve account balance of another employer. A minimal portion of the average taxable wages is acquired along with the other reserve ratio factors. The related entity then shifts hundreds of employees into the new account, thereby spreading a reduced average taxable payroll to each entity, which results in lower premium rates in future years

Punishments and Penalties for SUTA Dumping Violations

Effective January 1, 2006, when the Department discovers an employer has engaged in a form of SUTA dumping:

- both the predecessor and successor employers will be assigned the actual applicable premium rate, effective back to the first quarter of violation, and will immediately owe the difference between the premiums determined to be due at the applicable premium rate and the premiums previously paid plus all interest owed on the difference.
- both the predecessor and the successor will be subject to a 2% penalty rate, as explained below, and
- persons involved will be subject to a Class A misdemeanor with a maximum sentence of 11 months, 29 days imprisonment and a maximum fine of \$2,500.
- In addition, any person who advises others to violate the law, or who violates the law but is not an employer against whom the 2% penalty rate can be levied, is subject to Class A misdemeanor charge plus a civil monetary penalty of up to \$50,000.

The 2% penalty rate for a SUTA dumping violation is levied on the first \$9,000 paid to each employee during a calendar year. Both the successor employer and the predecessor employer will be subject to this penalty. The 2% penalty rate applies to each quarter starting with the quarter in which the SUTA dumping infraction first took place and continues through the three premium rate years following the first July 1 after the date on which the Department made the determination of the infraction.

Example: If the infraction began January 1, 2004, but was not discovered until January 1, 2006, the 2% penalty rate would take effect beginning January 1, 2004, and apply to all four quarters of 2004 and 2005 and the first two quarters of 2006. Then, beginning July 1, 2006, it would continue to apply to the four quarters of the rate year ending June 30, 2007, the four quarters of the rate year ending June 30, 2008, and the four quarters of the rate year ending June 30, 2009, for a total of twenty-two quarters.

The 2% penalty is in addition to the employer's premium rate, and the penalty payments will not be included as credit for premiums paid when calculating the employer's rate.

As mandated by federal and state law, Tennessee aggressively looks for all violators.

To notify the Department of possible SUTA dumping, call 1-615-741-2346 or contact your local [Employer Accounts Office](#) listed in the Directory on page 2 of the Employer Handbook.

SUTA Dumping Detection

Tennessee utilizes a highly sophisticated computer program provided by the U.S. Department of Labor designed to detect suspicious transfers of experience (see Mergers and Successorships) and shifts in employees both in the present and in the past. Additional staff is being hired and current staff trained in the detection of SUTA dumping and the enforcement of this Act. Any suspicious action will be thoroughly investigated. It is a top priority of the Department to protect honest employers by insuring that every employer pays his fair share, instead of shifting his tax responsibilities onto other employers.

For questions about SUTA dumping, to make arrangements to bring your account into compliance or to ask about possible SUTA dumping activity, call 1-615-741-2346 or contact your local [Employer Accounts Office](#) listed in the Directory on page 2 of this Handbook.

LIABILITY

Date of Liability (Rule 0560-2-1-.03)

An employer becomes liable as of January 1 of the year in which his employment first meets the liability requirements in the law. Wage and Premium Reports must be filed on all wages paid during the calendar year in which the employer became liable, and premium payments are due on all taxable wages.

Who Is Liable (Section 50-7-205)

All employers doing business in Tennessee are subject to the provisions of the Tennessee Employment Security Law and Regulations. Liability depends on the type and nature of the business, the number of workers employed, and the amount of wages paid.

An employer is liable under the Tennessee Employment Security Law if the employer:

1. has a total payroll of \$1,500 or more in any calendar quarter of the current or preceding calendar year, or
2. employs one or more persons during some part of a day in each of 20 weeks in the current or preceding calendar year. The weeks do not need to be consecutive, and both full-time and part-time workers are counted, or
3. is a "successor" to all or part of the business of an employer already covered (see Mergers and Successorships), or
4. is liable under the Federal Unemployment Tax Act (FUTA) and has at least one employee in Tennessee,

regardless of the number of weeks employed, or

5. is an agricultural employer who pays \$20,000 or more in wages in any calendar quarter or employs 10 or more persons for some part of a day in each of 20 weeks in the current or preceding calendar year. The weeks do not need to be consecutive, and both full-time and part-time workers are counted, or
6. is a domestic employer who pays as much as \$1,000 in cash wages in any calendar quarter in the current or preceding calendar year, or
7. is a state or local government unit or political subdivision, or
8. is a nonprofit employer who employs four or more persons for some part of a day in each of 20 weeks in the current or preceding calendar year and is exempt under Section 501(c)(3) of the Internal Revenue Code. The weeks do not need to be consecutive and both full-time and part-time workers are counted. Officers of a nonprofit corporation are counted even if such officers do not receive remuneration for services from the nonprofit corporation.

Mergers and Successorships (Section 50-7-403(b)(2))

Definition of Successor

A successor is an employer who acquires the organization, trade, business or substantially all the assets of another employer. In such cases, if there is a transfer of experience, the total experience rating factors of the predecessor are transferred to the successor (see EXPERIENCE RATING).

A successor can also be an employer who acquires a part of the business of another employer. In such cases, if there is a transfer of experience, only the experience of the portion of the business acquired from the predecessor is transferred to the successor. (If the predecessor remains in business and retains a portion of the reserve, the predecessor will be assigned a new account number).

Staff leasing companies and their clients are not successors unless there is common ownership, management or control (see STAFF LEASING COMPANIES, Staff Leasing Companies and their Clients are Normally Not Successor Employers).

Notification of Change in Ownership Required

Whenever there is a change of ownership, the employers must notify the Department by the end of the calendar quarter following the calendar quarter of acquisition (see *Applications for Transfer of Experience Rating Record*).

When the change of ownership requires a mandatory transfer of experience, failure to notify the Department timely could result in severe penalties and punishments (see *Mandatory Transfers of Experience* and see SUTA DUMPING, Punishments and Penalties for SUTA Dumping Violations).

In cases of voluntary transfers, no voluntary transfer will be approved unless filed timely (see Other Successors).

Mandatory Transfers of Experience (Section 50-7-403(b)(2)(C) and (D))

Except for those cases where the transfer is done solely to obtain a reduced liability for premiums, Federal and State Law require the successor to acquire the experience rating factors of the predecessor employer's trade or business and the liabilities of the predecessor employer if, at the time of the transfer, there is any common ownership, management or control of the two employers.

“Trade or business” includes the employer’s workforce.

“Common ownership, management or control” includes any individual who has at least a 10% ownership interest in or participates in the management or control of the predecessor’s trade or business and who has a relative who has a 10% ownership interest in or participates in the management or control of the successor’s trade or business. “Relative”, for these purposes, means spouse, child, stepchild, adopted child, grandchild, son-

in-law, daughter-in-law, parent, stepparent, parent-in-law, grandparent, brother, sister, half brother, half sister, stepbrother, stepsister, brother-in-law, sister-in-law, aunt, uncle, nephew and niece.

(For the penalties and punishments for violation of T.C.A. 50-7-403(b)(2) see SUTA DUMPING, Punishments and Penalties for SUTA Dumping Violations).

Other Successors

A successor with no common ownership, management or control with that of the predecessor may acquire the experience of the predecessor (if the successor is continuing the business of the predecessor) by timely requesting a transfer of the experience rating factors of the predecessor (see EXPERIENCE RATING).

A transfer of experience will not be made if the Administrator determines that a substantial purpose of the transfer of the trade or business was to obtain a reduced rate of premiums. In such cases, the experience rating factors of the employers involved will be combined into a single account and a single premium rate assigned to such account as of the date of the transfer. In determining whether a business was acquired, or a transfer of a trade or business, or portion thereof, was made solely or primarily or substantially for the purpose of obtaining a lower rate of premiums, the administrator will use objective factors which may include the cost of acquiring the business, whether the person or employing unit continued the business enterprise of the acquired business, how long such business enterprise was continued, or whether a substantial number of new employees were hired for performance of duties unrelated to the business activity conducted prior to the acquisition.

If a transfer has been approved and it is later determined that the transfer was made solely to obtain a lower premium rate, the employer will be assigned the rate(s) he would have had without the transfer for each quarter effective back to the date of transfer. The employer will then owe the Department the additional premiums, interest and penalties, and could also be subject to the 2% penalty for SUTA Dumping and other punishments (see SUTA DUMPING, Punishments and Penalties for SUTA Dumping Violations).

Applications for Transfer of Experience Rating Record

Requests for transfers of experience are made on the Application for Transfer of Experience Rating Record (LB-0483). Such transfers must:

1. be signed by both the predecessor and successor, and be notarized, and
2. be submitted before the end of the quarter following the calendar quarter in which the acquisition occurred, and
3. be based on an acquisition with a reasonable business purpose as determined by the Administrator, other than the purpose of obtaining a lower premium rate, and
4. in the case of partial transfers, show the percentage of reserve, as agreed to by the successor(s) and predecessor(s), to be transferred to the successor.

Application for Transfer of Experience Rating Record (LB-0483) forms can be obtained from your Employer Accounts Office, listed in the Directory on page 2 or by contacting Employer Services, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, Tennessee, 37243-3555, call toll-free: 1-800-344-8337 and press 1 or call 1-615-741-2486 if in the Nashville area or out of state.

A transfer form is also on our web site: www.tn.gov/labor-wfd/

click FORMS above the Mission Statement
click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS
click APPLICATION FOR TRANSFER OF EXPERIENCE RATING RECORD

[Application for Transfer of Experience Rating Record, LB 0483](#)

Common Paymaster (Section 50-7-206(d))

Tennessee recognizes a common paymaster for unemployment insurance wage reporting and premium paying purposes. Federal law also recognizes the common paymaster for Federal Unemployment Insurance (FUTA) purposes.

Under a common paymaster, if several *related* corporations CONCURRENTLY employ the same individual and this individual is paid by only one of the corporations (the common paymaster), Tennessee unemployment insurance premiums are paid only on the first \$9,000 paid to this individual by the common paymaster.

Chapter 26, Section 31.3121(s) - 1 of the Code of Federal Regulations provides that corporations are generally *related* when one or more of the following are true:

More than 50% of the corporation is owned by another corporation (parent/subsidiary relationship).

1. The same five or fewer persons, estates or trust (brother/sister corporation) owns more than 50% of each corporation.
2. 50% or more of one corporation's officers are concurrently officers of the other corporation(s).
3. 30% or more of one corporation's employees are concurrently employees of the other corporation(s).
4. When the corporation does not issue stock (i.e. a nonprofit organization) there must be 50% or more commonality in the governing bodies or membership of the corporations.

NOTE: Federal Regulations state that concurrent employment means the contemporaneous existence of an employment relationship between an individual and two or more corporations.

Terminations and Inactive Accounts (Section 50-7-405)

Once liability is established, all employers are subject to the Employment Security Law for at least two calendar years, regardless of the number of employees, as long as they employ workers.

An employer may request termination of coverage as of January 1 of any calendar year if he employed workers or paid wages to a lesser extent than required by law for the purpose of liability for the previous calendar year. Such request must be submitted in writing to the Administrator before April 1 of the year it is to take effect. Termination requests should be sent to:

Administrator, Employment Security
Tennessee Department of Labor and Workforce Development
Employer Services
220 French Landing Drive
Nashville, TN. 37243-3555

An employer who anticipates no payroll for two or more calendar quarters may request that his account be made inactive so that he does not have to continue submitting Wage and Premium Reports. When such an employer again has a payroll, he should notify Employer Services. An employer retains his reserve balance while his account has an inactive status.

Questions concerning inactive and terminated accounts can be directed to your Employer Accounts Auditor at your local [Employer Accounts Office](#) listed in the Directory on page 2 of this Handbook or by calling (615) 741-2486.

STAFF LEASING COMPANIES (Section 62-43-113(b)(2) of the Tennessee Employee Leasing Act)

Aggregate State Numbers and Client Account Numbers (Section 62-43-113(b)(2)(A) of the Tennessee Employee Leasing Act)

Beginning January 1, 2003, each staff leasing company, which has one or more leased employees of a client in Tennessee, will be assigned an Aggregate State Number. The staff leasing company must also make certain that an

Application for Client Number (LB-0910) is filed for each client having one or more leased employees in Tennessee.

The Application for Client Number (LB-0910) is on the Department's website or may be obtained from a local [Employer Accounts Office](#) listed in the Directory on page 2 of this Handbook. You may also call 1-800-344-8337 and pick option 1 (call 1-615-741-2486 if calling from within the Nashville area or from out of state).

To obtain a copy of the Application for Client Number over the Internet go to www.tn.gov/labor-wfd/ :

click FORMS above the Mission Statement
click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS
click APPLICATION FOR CLIENT NUMBER

The Application for Client Number must provide:

1. the staff leasing company's Aggregate State Number and name,
2. the client's name, trade name, mailing address, physical address in Tennessee, phone number and federal ID number,
3. the name and address of the client's owner, partners, corporate officers, limited liability company members and managers (if board managed) or general partners,
4. a signature of the client's principal or attorney in fact,
5. a brief description of the client's major business activity, listing any products produced or sold, or service provided, and
6. any other information which may be required by the Commissioner of the Department of Labor and Workforce Development.

The staff leasing company must notify the Department of Labor and Workforce Development in writing of any additions or deletions of clients during the quarter in which such changes occur. Send the notification to Employer Services, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, Tennessee, 37243-3555 or if by fax to 1-615-741-7214.

Wage and Premium Reports for Staff Leasing Companies and Their Clients (Section 62-43-113(b)(2)(A) of the Tennessee Employee Leasing Act)

Effective for reports for the quarter beginning January 1, 2003, T.C.A. Section 62-43-113(b)(2)(A) of the Tennessee Employee Leasing Act provides that a staff leasing company must keep separate records and must file separate quarterly Wage Reports (LB-0851) and Premium Reports (LB-0456) for each client under each client's Client Number. The client's premium rate each quarter will be the premium rate for the staff leasing company's Aggregate State Number.

Staff Leasing Companies and Their Clients Are Normally Not Successor Employers (Section 50-7-403(b)(2)(K))

Unless there is some degree of common ownership, management or control between a staff leasing company and its client, the staff leasing company shall not be considered a successor employer, within the meaning of Tennessee Employment Security Law, to any client and shall not acquire the experience history of any client.

The client, upon terminating its relationship with the staff leasing company, shall not be considered a successor employer, within the meaning of the Tennessee Employment Security Law, to the staff leasing company and shall not acquire any portion of the experience history of the aggregate reserve account of the staff leasing company with whom there is not any common ownership, management or control. There will be a transfer of experience in cases where there is common ownership, management or control between the client and the staff leasing company.

Any staff leasing company or client of a staff leasing company who violates these successor provisions is subject to the punishments and penalties under T.C.A. 50-7-403(b)(2)(G) (see SUTA DUMPING, Punishments and Penalties for SUTA Dumping Violations).

Staff Leasing Companies' Experience Rating and Aggregate Reserve Ratios (Section 62-43-113(b)(2)(A)(ii)(a) of the Tennessee Employee Leasing Act)

Effective January 1, 2003, to determine an experience rated staff leasing company's Aggregate State Number's premium rate the Department:

deducts
all benefits charged to the Aggregate State Number of the staff leasing company for all
years ending on the December 31 computation date
(this includes benefits charged that were paid to leased employees of each client for all
the years each client was a client of the staff leasing company)
from
the total of all the premiums paid on both the taxable wages of the staff leasing company
and on the taxable wages of all the clients of such staff leasing company for all years
during which the staff leasing company has been subject to the Tennessee Employment
Security Law, and for all the years each individual client has been a client of the staff
leasing company as of December 31
The difference is the staff leasing company's Aggregate State Number's
AGGREGATE RESERVE.

The staff leasing company's AGGREGATE RESERVE
is divided by:
the staff leasing company's average taxable payroll for the three most recently completed
calendar years as of December 31
plus
the average taxable payroll of each client for that portion of the three (3) year period
during which such client was a client of the staff leasing company.
The quotient is the staff leasing company's
AGGREGATE RESERVE RATIO (a percentage figure).

The staff leasing company's AGGREGATE RESERVE RATIO will be in effect for the four quarters beginning July 1.

The position of the staff leasing company's AGGREGATE RESERVE RATIO on the applicable Premium Rate Chart determines the premium rate for the staff leasing company's Aggregate State Number (see PREMIUMS AND TAXES, Premium Rate Chart).

The balance in the Unemployment Compensation Trust Fund on June 30 and December 31 of any year determines which of the six Premium Rate Tables will be used to assign the premium rate for a staff leasing company's Aggregate State Number for the following two calendar quarters.

New Employer Premium Rates for Staff Leasing Companies' Aggregate State Numbers
(Section 62-43-113(b)(2)(A)(ii)(b) of the Tennessee Employee Leasing Act)

New employer premium rates apply to the Aggregate State Numbers of staff leasing companies which do not qualify for rates based on their own experience.

An Aggregate State Number will not qualify for a rate based on its own experience if it has not been chargeable with benefits for thirty-six consecutive months ending on the December 31 computation date. For calendar quarters prior to July 1, 2004, an Aggregate State Number, which does not qualify for a rate based on its own experience, will be assigned the new employer premium rate based upon the reserve ratio of the staff leasing company's Standard Industrial Classification (SIC) Code as provided in Section 50-7-403(b)(1)(B). For calendar quarters beginning on or after July 1, 2004, an Aggregate State Number, which does not qualify for a rate based on its own experience, will be assigned the new employer premium rate based upon the reserve ratio of such staff leasing company's 2-digit classification of the North American Industry Classification System (NAICS) as provided in Section 50-7-403(b)(1)(B) (see PREMIUMS AND TAXES, New Employer Premium Rates).

Joint and Several Liability between Staff Leasing Company and Client (Section 62-43-113(b)(2)(B) of the Tennessee Employee Leasing Act)

A client shall be jointly and severally liable with a staff leasing company for premiums for each of such client's leased employees unless the staff leasing company has posted a corporate surety bond with the Administrator of the Division of Employment Security of the Tennessee Department of Labor and Workforce Development in the amount of \$100,000 for so long as said bond remains in force (call 1-615-741-2346).

WHO ARE EMPLOYEES?

Employee or Independent Contractor?

Before you can know how to treat payments you make for services rendered to you, you must first know the business relationship that exists between you and the person performing those services.

People such as lawyers, contractors, subcontractors, public stenographers, auctioneers, etc., who follow an independent trade, business, or profession in which they offer their services to the general public, are generally not employees. However, whether such people are employees or independent contractors depends on the facts in each case. The general rule is that an individual is an independent contractor if you, the employer, have the right to control or direct only the result of the work and not the means and methods of accomplishing the result.

An employer must generally withhold income taxes, withhold and pay social security and Medicare taxes, and pay unemployment taxes on wages paid to an employee. An employer does not generally have to withhold or pay any taxes on payments to independent contractors.

To help you determine whether an individual is an employee, first use the seven common law factors shown below. These factors have been identified to indicate whether sufficient control is present to establish an employer-employee relationship. The degree of importance of each factor varies depending on the occupation and the context in which the services are performed. It does not matter that the employer allows the employee freedom of action, so long as the employer has the right to control both the method and the result of the services. When the seven common law factors discussed below are applied, and the employer, in error, treats an employee as an independent contractor, the employer may be held liable for all taxes, penalties, and interest which result. The burden of proof is upon the employer to show that an individual is indeed an independent contractor.

The seven common law factors indicating whether an individual is an employee or an independent contractor are:

1. The Right to Control — A person who controls or has the right to control the terms and conditions under which a worker performs services is perceived to be an employer.
2. Right to Termination — A worker who can be separated at any time is usually perceived to be an employee. An independent contractor can be discharged only for breach of contract. Conversely, a worker may terminate his relationship at any time, while an independent contractor may terminate only upon completion of contract or breach thereof by the other party.
3. Method of Payment — A worker paid at regular intervals at a fixed rate is evidence of employee status.
4. Freedom to Select and Hire Helpers — Independent contractors are usually responsible for hiring, supervising, and paying any help they need to complete a job. They would generally be unfettered in the selection of such helpers.
5. Furnishing Tools and Equipment — A person who furnishes their own tools and equipment necessary to perform a job is generally perceived to be an independent contractor while one who is furnished tools and equipment is generally perceived to be an employee.
6. Self-scheduling of Workers.
7. Freedom to Render Services to Other Entities.

In addition to the common law test, the Tennessee Employment Security Law establishes a further test for determining whether or not a worker is an employee within the meaning of unemployment legislation. This test, known as the ABC test, is found at T.C.A. Section 50-7-207(e):

Service performed by an individual shall be deemed to be included service (i.e., employment) for purposes of this section irrespective of whether the common law relationship of master and servant exists, unless and until it is shown to the satisfaction of the Administrator that:

- A. Such individual has been and will continue to be free from control and direction in connection with the performance of such service, both under any contract for the performance of service and in fact;
- B. such service is performed either outside the usual course of the business for which the service is performed, or is performed outside of all the places of business of the enterprise for which the service is performed; and
- C. such individual is customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the service performed.

Services performed by an individual providing services as a leased-operator or owner-operator of one or more motor vehicles under contract to a common carrier engaged in interstate commerce is excluded service, regardless of whether a common law employer-employee relationship exists and regardless of whether the requirements of the ABC test listed above are met.

Inclusions (Section 50-7-207(b))

Persons engaged in the following types of activities are considered “employees ” under the Tennessee Employment Security Law, and employers must report these persons on their quarterly unemployment insurance Wage Report (LB-0851) and Premium Report (LB-0456). The covered employees are

1. An officer of a corporation;
2. Any individual who, under the usual common-law rules applicable in determining the employer/employee relationship, has the status of an employee;
3. Agent drivers or commission drivers who receive remuneration from their employer for delivering laundry or dry cleaning, provided qualifications defined in Section 50-7-207(b)(2)(C)(ii) of the law are met;
4. Traveling or city salesmen who work full-time for an employer soliciting orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for resale or for supplies for use in their business operations provided qualifications defined in Section 50-7-207(b)(2)(C)(ii) of the law are met;
5. Employees of state and local governments not specifically excluded from coverage. (See Exclusions on the following page);
6. Employees of a religious, charitable, educational, or other organization, provided the organization is exempt under Internal Revenue Code Section 501(c)(3) and the organization had four or more employees working some portion of a day in each of 20 different calendar weeks during a calendar year;
7. Officers and crewmembers of American vessels or aircraft, provided qualifications defined in Section 50-7-207(d)(5) of the law are met;
8. Employees on whose earnings employers are required to pay Federal Unemployment Tax (FUTA);
9. Agricultural workers working for an agricultural employer who pays \$20,000 or more in wages in any calendar quarter or employs 10 or more persons for some part of a day in each of 20 weeks in the current or preceding calendar year provided qualifications defined in Section 50-7-207(b)(7) are met; and
10. Domestic workers working in a private home, local college club, or local chapter of a college fraternity or sorority and employed by an employer who paid \$1,000 or more in cash wages to domestic workers in any calendar quarter in the current or preceding calendar year.

Exclusions (Section 50-7-207(c))

Some employers are excluded from the premium paying provisions of the law by the definition of employment.

Persons engaged in the following types of activities are not considered “employees” under the Tennessee Employment Security Law. Employers DO NOT report these persons on their quarterly Wage Reports (LB-0851) and Premium Reports (LB-0456) and these persons will not be counted in determining whether the employer has sufficient employment to be liable under the Tennessee Employment Security Law.

1. service for certain nonprofit organizations operated exclusively for religious, charitable, scientific, literary, educational purposes, if the organization has fewer than four employees and is exempt under Internal Revenue Code Section 501(c)(3);
2. services performed by an individual in the employ of his son, daughter, or spouse, and services performed by a child under the age of 18 in the employ of his father or mother;
3. railroad employment;
4. services performed in the employ of a school, college, or university by a *student* attending such school, college or university, or by the *spouse* of such student, provided qualifications defined in Section 50-7-207(c)(8) of the law are met;
5. services performed by a student who is enrolled at a nonprofit or public educational institution that combines work experience with academic instruction in a full-time program for school credit at such institution;
6. services performed by a full-time student in the employ of an “organized camp” provided qualifications defined in Section 50-7-207(c)(13) of the law are met;
7. services performed by insurance agents working solely on commission;
8. services performed by a real estate agent working solely on commission, provided qualifications defined in Section 50-7-207(c)(11) of the law are met;
9. services performed by “direct sellers” working solely on commission, provided qualifications defined in Section 50-7-207(c)(12) of the law are met;
10. work on foreign vessels;
11. services performed by certain individuals on fishing boats when such individual receives a share of the catch instead of cash, provided qualifications defined in Section 50-7-207(c)(14) of the law are met;
12. governmental services performed by (a) an elected official or a person appointed to fill the unexpired term of an elected official, (b) a member of the state National Guard or air National Guard, or (c) an individual serving in a nontenured policymaking or advisory position;
13. services performed by an inmate committed to a custodial or penal institution;
14. services performed in the employ of a church or convention or association of churches;
15. services performed in the employ of an organization which is operated primarily for religious purposes and which is operated, controlled, or principally supported by a church or by a convention or association of churches;
16. services performed by certain product demonstrators, provided qualifications defined in Section 50-7-207(c)(15) of the law are met.

NOTE: These workers are only excluded under Tennessee Law. They are not excluded under federal law, so employers must pay the full 6.2% Federal Unemployment Tax (FUTA) on these employees if the employer does not elect to report and pay Tennessee unemployment taxes on these workers);

17. services performed by individuals engaged in the trade or business of delivering or distributing newspapers or shopping news, provided qualifications defined in Section 50-7-207(c)(12) of the law are met;
18. services performed by an individual who is an alien admitted to the United States to perform service in

agricultural labor pursuant to Sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act;

19. government services performed by an employee serving on a temporary basis in the case of fire, storm, snow, earthquake, tornado, flood or similar emergency;
20. services performed by member of a limited liability company operating as a partnership, by an individual owner of a business (sole proprietor) or by a partner in a partnership; and
21. services performed by an election official or election worker if the amount of wages paid such individual for such services were less than \$1,000 during the calendar year.

HAVING EMPLOYEES IN MORE THAN ONE STATE

In Which State(s) is an Employer Liable?

When an employer has employees who work in another state or work in more than one state, the employees must be reported to the correct state(s). Failure to do so could result in interest and penalty charges and potential problems in correcting the reports.

It can be confusing as to which state(s) an employee should be reported, and in some cases this decision must be made on an individual basis or worked out between Tennessee and the other state.

General guidelines and examples are shown below, but if there is any question, write Employer Services, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, Tennessee 37243-3555, or call 1- 615-741-2486 for a decision.

The guidelines below are “TESTS” listed in the order of priority. Use the first test that applies to the individual employee’s situation when determining to which state that employee’s wages should be reported. If no test applies or if you are not sure, contact the Department at the address and phone number above.

TEST (1) — *the localization of services test*—Wages are reported and premiums are paid to the state in which the service is performed.

Example: An employer in Tennessee has a store in Tennessee and a store in Kentucky with employees at each store. The employer will need a state unemployment insurance Employer Account Number for each state. Employees working in Tennessee will be reported to Tennessee since their services are localized in Tennessee. The employees working in Kentucky will be reported to Kentucky since their services are localized in Kentucky.

If an employee works the first six months of the year in Tennessee and the last six months in Kentucky, the employer will report the employee to Tennessee for the first two calendar quarters of the calendar year and to Kentucky for the last two calendar quarters.

TEST (2) — *the employee base of operations test*—Wages are reported and premiums are paid to the state in which the employee has his base of operations and performed some services.

Example: An employer in Tennessee has a salesman working out of his home in Alabama. This salesman calls on customers in Alabama, Georgia, and Mississippi. Since there is no localization of service (TEST 1), the employer will need an Alabama unemployment insurance Employer Account Number and will report all of this salesman’s wages to Alabama since the employee’s base of operations is in Alabama and the employee performs some services in Alabama.

TEST (3) — *the employer base of operations test* — Wages are reported and premiums are paid to the state from which the service is directed or controlled if the employee performed some service in that state.

Example: An employer in Tennessee is a construction contractor. All employees are hired by, paid from, and receive instructions from the home office in Tennessee. The employees live in various states and work on construction sites as needed in Tennessee, Alabama, and Georgia. Since there is no localization of service (TEST 1) and no employee base of operation (TEST 2), the employer would report these workers to Tennessee since the employer’s base of operations is in Tennessee and the employees performed some services in Tennessee.

TEST (4) — *place of residence test* — Wages are reported and premiums are paid to the state in which the employee lives if some service is performed in that state.

Example: An employer in Tennessee hires a guitarist who lives in Alabama to perform with a band playing engagements in Alabama, Georgia and Mississippi. Since there is no localization of service (TEST 1), and no employee base of operation (TEST 2), and the employee did not perform any services in Tennessee, the employer's base of operations (TEST 3), the employer will need an Alabama unemployment insurance Employer Account Number and the employer will report the employee's wages to Alabama since the employee's place of residence is in Alabama and the employee performed some services in Alabama.

Things to Know When You Have Employees in More than One State

1. **Liability:** If an employer is liable to make unemployment insurance payments to any state or to the federal government, that employer is automatically liable in all states from the date of his first payroll in each new state.
2. **Refunds:** Tennessee gives full refunds on premiums paid to Tennessee that should have been paid to another state except for premiums paid on wages which have been used in the determination of a claim for benefits. (See Correcting Reports under WAGE AND PREMIUM REPORTS).
3. **Taxable wages:** When an employer has an employee who worked in more than one state during a calendar year, the taxable wages the employer paid taxes on for the employee in other states are used in calculating the taxable wages of that employee in Tennessee.

NOTE: Tennessee's taxable wage base is \$9,000; however, many states have a different taxable wage base. Check with each state before filing reports.

4. **State Laws and Procedures:** The unemployment insurance laws in most states are similar, but they do vary. Contact the unemployment insurance agency in the state in which you are filing to get the correct information on application and filing procedures, taxable wage bases, premium rates, benefit charges, and any other information necessary for compliance with the other state's laws. You may get the name and address of a state's unemployment insurance agency by calling 1-615-741-2346.
5. **Elections:** State laws may be in conflict regarding the state to which you must report an employee. In some cases, an employer will have an employee who can be reported to several states. In some of these situations an employer may be allowed to "elect" to report the employee to a certain state. Election forms must be obtained from the state in which the employer wants to report the employee, and the election must be approved by that state and every state in which the employee performs services.
6. **When in Doubt, Contact the Division of Employment Security:** If you are unsure of where to report an employee, write: Employer Services, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, Tennessee 37243-3555, or call 1- 615-741-2486.

PREMIUMS AND TAXES (Sections 50-7-402 and 50-7-403)

Explanation

The Tennessee unemployment insurance program is financed solely by employer premiums paid to the state and employer federal unemployment taxes paid to the Internal Revenue Service.

Most employers pay for their unemployment insurance in two parts: one to the state and one to the federal government.

State and local governmental employers and nonprofit employers (if they qualify under Section 501(c)(3) of the Internal Revenue Code) have the option of paying premiums or reimbursing the state dollar for dollar for benefits charged to them. These government and nonprofit employers are not subject to the Federal Unemployment Tax (FUTA). (See REIMBURSING EMPLOYERS)

A reimbursing employer who wishes to change to premium paying must notify the Department by May 31st of the year during which they intend to change. Any change from reimbursing to premium paying will be effective on July 1st of that year, and the employer must calculate the \$9,000 taxable wage base from zero as of July 1.

Taxable Wage Base

Tennessee's unemployment taxable wage base is \$9000, while the federal taxable wage base under the Federal Unemployment Tax Act (FUTA) is \$7,000 (see Federal Unemployment Tax Act (FUTA)).

Tennessee employers pay unemployment premiums to Tennessee on the first \$9,000 the employer pays to each covered employee in a calendar year (see WAGE AND PREMIUM REPORTS, Reporting Wages) and pay the Federal Unemployment Tax (FUTA) on only the first \$7,000 paid to each employee.

Federal Unemployment Tax Act (FUTA)

The Federal Unemployment Tax Act (FUTA) provides for a 6.2 percent tax on taxable payroll (the first \$7,000 paid to each employee during a calendar year) to be paid to the Internal Revenue Service. This money is used to pay the state and federal unemployment insurance and Job Service administrative costs and the federal share of the extended benefit program.

An employer subject to the FUTA tax is allowed a 5.4 percent offset credit against the FUTA tax—resulting in a net payment of 0.8 percent in FUTA taxes. To be eligible for the full 5.4 percent offset credit, an employer must pay his state premiums for the previous year in full by January 31. If the state premium is not paid, the employer must pay the full 6.2 percent FUTA tax. Payment of the full FUTA tax will not relieve the employer from state premiums.

State Premiums (Section 50-7-403)

Premium rates for Tennessee employers vary from 0.0 percent to 10 percent, depending on an employer's use of the system and the balance in the Unemployment Compensation Trust Fund (see EXPERIENCE RATING). The Premium Rate Chart for Nongovernmental Employers and The Premium Rate Chart for Governmental Employers are on the following two pages.

An employer's premiums are due within the month following the end of each calendar quarter, and payments are submitted with the employer's Wage Report (LB-0851) and Premium Report (LB-0456) (see WAGE AND PREMIUM REPORTS).

If a newly liable Tennessee employer has filed reports and paid another state or federal agency in error, that employer has until the end of the month following the month in which notification of liability to Tennessee is given to file reports and pay premiums due to Tennessee without interest and penalty charges.

Premiums can be paid by check through the mail or electronically (see WAGE AND PREMIUM REPORTS, Paying Premiums Electronically by Automated Clearing House (ACH) Credit).

New Employer Premium Rates (Section 50-7-403(b)(1)(B))

All premium paying employers who do not qualify for a rate based on their own experience are considered new employers and are assigned a new employer rate. New employer rates also apply to Aggregate State Numbers of staff leasing companies which do not qualify for a rate based on their own experience (see STAFF LEASING COMPANIES, New Employer Premium Rates for Aggregate State Numbers). Employers are considered new employers and pay at the new employer rate until they are eligible to be experience rated.

The new employer rate for new governmental employers is 1.5%.

New nongovernmental employers are assigned a new employer rate based on the reserve ratio of their industry grouping. The new employer rates fluctuate for each twelve month period beginning each July 1 to reflect the change in the industry grouping reserve ratios.

NOTE: When completing the Report to Determine Status, Application for Account Number (LB-0441), it is very important for the new employer to provide sufficient information about their business so that the Department can correctly determine the employer's industry classification. If the Department cannot determine an employer's

industry classification, the Department will assign the new employer the rate for the industry grouping with the highest employer rate. This could mean the employer would have a 10.0% rate instead of a 2.7% rate.

For calendar quarters prior to July 1, 2004, new employer rates for new nongovernmental employers were based on the Standard Industrial Classification (SIC) coding system. If an SIC industry grouping's reserve ratio was minus four percent (-4.0%) or less, new nongovernmental employers in that SIC industry grouping were assigned the premium rate for their SIC industry grouping. All other new nongovernmental employers were assigned a 2.7 percent new employer rate. The SIC industry grouping reserve ratios were computed for each industry grouping on the same basis that reserve ratios for individual employers are computed (see EXPERIENCE RATING). The SIC industry groupings were:

01-09	Agriculture
10-14	Mining
15-17	Construction
20-39	Manufacturing
40-49	Transportation
50-59	Trade
60-67	Finance, Insurance, Real Estate
70-89	Services

Effective for calendar quarters beginning July 1, 2004, and after, new employer rates for new nongovernmental employers are based on the North American Industry Classification System (NAICS). If a NAICS industry grouping's reserve ratio is less than zero percent (-0.0%), new nongovernmental employers in that NAICS industry grouping are assigned the premium rate for their NAICS 2-digit industry grouping. All other new nongovernmental employers are assigned a 2.7 percent new employer rate. The reserve ratio of each 2-digit NAICS is determined for each classification by:

totaling all premiums paid by all employers within the same classification,
who were active anytime within the thirty-six consecutive months ending on the previous December 31,
for all years during which these employers have been subject to the Tennessee Employment Security Law
and
subtracting from that total,
the total of all benefits charged to the accounts of those employers for all years
and
dividing the difference
by the average taxable payrolls of those employers for the three (3) most recent calendar years
ending on the previous December 31.

The North American Industry Classification System (NAICS) 2-digit industry groupings are:

NAICS - 2-digit Industry Codes

- 11 Agriculture, Forestry, Fishing, Hunting - growing crops, raising animals, harvesting timber, and harvesting fish and other animals from farms, ranches, or the animals' natural habitats
- 21 Mining - extracting naturally occurring mineral solids, such as coal and oil, liquid materials, such as crude petroleum; and gases, such as natural gas; and beneficiating (e.g. crushing, screening, washing, and flotation) and other preparation at the mine site, or as part of mining activity
- 22 Utilities - generating, transmitting, and/or distributing electricity, gas, steam, and water and removing sewage through a permanent infrastructure of lines, mains and pipe
- 23 Construction - erecting buildings and other structures (including additions); heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs
- 31 Manufacturing - mechanical, physical or chemical transformation of the following materials, substances or components into new products: food; beverage and tobacco; textile; apparel; leather and allied product manufacturing
- 32 Manufacturing - mechanical, physical or chemical transformation of the following materials, substances or components into new products: wood products; paper; printing and related support activities; petroleum and

- coal products, chemical manufacturing; plastics and rubber products; nonmetallic mineral products manufacturing
- 33 Manufacturing - mechanical, physical or chemical transformation of the following materials, substances or components into new products: primary metal, machinery, computer and electronic products; electrical equipment, appliances, and components; transportation equipment; furniture and related products; and miscellaneous manufacturing
- 42 Wholesale Trade - selling or arranging for the purchase or sale of goods for resale; capital or durable nonconsumer goods; and raw and intermediate materials and supplies used in production, and providing services incidental to the sale of the merchandise
- 44 Retail Trade - retailing of merchandise generally in small quantities to the general public and providing the service to the sale of the merchandise in the following: motor vehicle and parts dealers; furniture and home furnishings stores; electronics and appliance stores, building material and garden equipment and supplies dealers; food and beverage stores, health and personal care stores, gasoline stations; and clothing and clothing accessories stores
- 45 Retail Trade - retailing of merchandise generally in small quantities to the general public and providing the service to the sale of the merchandise in the following: sporting goods, hobby, book, and music stores; general merchandise stores; and nonstore retailers
- 48 Transportation and Warehousing - providing air transportation; rail transportation; water transportation; truck transportation; transit and ground passenger transportation; pipeline transportation; scenic and sightseeing transportation; and transportation support activities
- 49 Transportation and Warehousing - providing postal service; couriers and messenger; housing and storage
- 51 Information - distributing information and cultural products, providing the means to transmit or distribute these products as data or communications, and processing data including: publishing industries, motion picture and sound recording industries, broadcasting and telecommunications industries, information services and data processing services
- 52 Finance and Insurance - creating, liquidating and changing ownership of financial assets (financial transactions) and/or facilitating financial transactions
- 53 Real Estate, Renting and Leasing - including renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyright works) and providing related services
- 54 Professional, Scientific and Technical Services - performing professional, scientific and technical services for the operations of other organizations
- 55 Management of Companies and Enterprises - holding of securities and enterprises, for the purpose of owning controlling interest or influencing their management decision, or administering, overseeing, and managing other establishments of the same company or enterprise and normally undertaking the strategic or organizational planning and decision making of the company or enterprise
- 56 Administrative and Support and Waste Management and Remediation Services - performing routine support activities for the day-to-day operations of other organizations
- 61 Educational Services - providing instruction and training in a wide variety of subjects
- 62 Health Care and Social Assistance - providing health care and social assistance for individuals
- 71 Arts, Entertainment and Recreation - operating or providing services to meet varied cultural, entertainment and recreational interest of their patrons
- 72 Accommodation and Food Services - providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption
- 81 Other Services (except Public Administration) - providing services not elsewhere specified, including repairs, religious activities, grant-making, advocacy, laundry, personal care, death care and other personal services

**TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF EMPLOYMENT SECURITY**

PREMIUM RATE CHART FOR NONGOVERNMENTAL EMPLOYERS

Reserve Ratio Percent	Premium Table 1 Trust Fund under \$450-million	Premium Table 2 Trust Fund \$450 to under \$525 million	Premium Table 3 Trust Fund \$525 to under \$600 million	Premium Table 4 Trust Fund \$600 to under \$675 million	Premium Table 5 Trust Fund \$675 to under \$750 million	Premium Table 6 Trust Fund \$750 million and over
20 and over	0.50%	0.45%	0.40%	0.30%	0.15%	0.01%
18and less than 20	0.70%	0.65%	0.55%	0.35%	0.20%	0.05%
16and less than 18	0.90%	0.70%	0.65%	0.40%	0.25%	0.10%
14and less than 16	1.10%	0.75%	0.70%	0.40%	0.32%	0.17%
12and less than 14	1.30%	1.20%	1.00%	0.50%	0.40%	0.25%
11and less than 12	1.60%	1.40%	1.20%	0.75%	0.60%	0.30%
9.5and less than 11	2.10%	1.80%	1.50%	1.00%	0.80%	0.50%
8and less than 9.5	2.50%	2.10%	1.80%	1.20%	1.00%	0.70%
7and less than 8	2.90%	2.50%	2.10%	1.50%	1.30%	1.00%
6and less than 7	3.30%	2.80%	2.40%	1.80%	1.60%	1.30%
5and less than 6	3.80%	3.20%	2.70%	2.10%	1.90%	1.60%
2.7and less than 5	4.10%	3.50%	3.00%	2.40%	2.20%	1.90%
0+and less than 2.7	4.50%	3.90%	3.30%	3.00%	2.60%	2.30%
0-and more than -2	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
-2and more than -4	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
-4and more than -6	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
-6and more than -8	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
-8and more than -10	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
-10and more than -12	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
-12and more than -14	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
-14and more than -16	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
-16and more than -18	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
-18and more than -20	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
-20and under	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

* An additional temporary fee of 0.60% is currently to be added to rates on Premium Tables 1, 2, & 3.*

Standard New Employer Rate = 2.70%

Industry-specific New Employer Rates for July '11 - June '12:

Construction = 8.60%

Mining & Extraction = 6.60%

Manufacturing NAICS Sector 32 = 6.60%

Manufacturing NAICS Sector 33 = 9.10%

**TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF EMPLOYMENT SECURITY
PREMIUM RATE CHART FOR
GOVERNMENTAL EMPLOYERS**

RESERVE RATIO	PREMIUM RATE PERCENT
8.0 and over	0.3%
7.0 and less than 8.0	0.4%
6.0 and less than 7.0	0.6%
5.0 and less than 6.0	0.8%
4.0 and less than 5.0	1.0%
3.0 and less than 4.0	1.2%
2.0 and less than 3.0	1.4%
1.5 and less than 2.0	1.5%
1.0 and less than 1.5	1.6%
0.5 and less than 1.0	1.7%
0.0 and less than 0.5	1.8%
less than 0.0 and more than -3.5	2.0%
-3.5 and more than -7.0	2.2%
-7.0 and more than -10.0	2.4%
-10.0 and more than -13.0	2.7%
less than -13.0	3.0%

Tennessee Job Skills Fee (Section 50-7-451)

The Tennessee Job Skills Fee became effective January 1, 1999, and is in effect for the two quarters following any June 30 or December 31 that the Trust Fund balance is over \$750 million and Premium Rate Table 6 is in effect. The Job Skills Fee sunsets December 31, 2006, unless extended by the Tennessee General Assembly.

The Job Skills Fee “triggered” off December 31, 2001, when the Trust Fund balance fell below \$750 million. Trust Fund Projections show that the Trust Fund will not be above \$750 million on June 30 or December 31 before the December 31, 2006 sunset date.

When in effect the Tennessee Job Skills Fee is collected in the same manner as Tennessee's unemployment insurance premiums are collected. Employers report this fee on their unemployment insurance Premium Report (LB-0456) and pay this fee with their Tennessee unemployment insurance premiums. Interest on late payments of unemployment insurance premiums and late payments of the Tennessee Job Skills Fee is 1.5% per month.

When the Tennessee Job Skills Fee is in effect, the 0.15% Tennessee Job Skills Fee rate will appear on line 6 of the Premium Report for employers who are subject to the fee.

The Tennessee Job Skills Fee funds the Tennessee Job Skills Program administered by the Department of Economic and Community Development. The Tennessee Job Skills Program is a workforce incentive program to enhance employment opportunities and to meet the needs of new and existing industries in this state.

Employers may apply for training grants from this program provided:

1. the training is for jobs in demand occupations, emerging occupations or manufacturing occupations, and
2. a job or job opening will exist at the end of training project.

For more information on the Tennessee Job Skills Program, contact the Tennessee Department of Economic and Community Development at (615) 741-1746.

WAGES (Section 50-7-213; Rule 0560-2-4)

Definition

All remuneration paid for personal services from whatever source (salaries, commissions, bonuses, drawing accounts, fees, vacation pay, and wages in lieu of notice) are considered “wages” for unemployment insurance purposes.

Payments made to employees in a medium other than cash are also considered “wages,” except for meals, lodging, and clothing when furnished for the employer’s convenience and on his premises (see Meals and Lodging).

Meals and Lodging and Clothing (Rule 0560-2-4-.11, Rule 0560-2-4-.12)

Meals and lodging are not considered wages if they are furnished for the employer’s convenience and on the employer’s premises. This includes goods, rent, lodging, food, and clothing. Where not agreed upon by the employer and the employee, the minimum value of board furnished as part of the remuneration is

Breakfast—\$.75

Lunch—\$1.25

Dinner—\$2.00

The minimum value of lodging is \$30.00 per month, \$7.50 per week, or \$1.50 per day.

Tips (Section 50-7-213(a))

All tips, including allocated tips, reported to the employer for IRS purposes are considered wages.

Severance Pay

Severance pay is considered wages, and employers pay premiums on severance pay when it is paid; however, former employees can receive unemployment benefits while receiving severance pay, since severance pay is considered pay for prior services.

Sick Pay and Medical Expenses (Section 50-7-213(d))

Sick pay (payments for sickness or accident disability) and medical expense pay (payments for medical or hospitalization expenses in connection with sickness or accident disability) are treated as follows:

1. Sick pay and medical expense pay made under a workers' compensation law are never considered wages, whether or not paid under a plan.
2. Sick pay, whether or not made under a plan, is wages through the first six months following the last calendar month in which the employee worked for the employer.
3. Medical expense pay made under a plan is not wages through the first six months following the last calendar month in which the employee worked for the employer.
4. Medical expense pay not made under a plan is wages through the first six months following the last calendar month in which the employee worked for the employer.
5. Sick pay and medical expense pay, whether or not made under a plan, is not wages after the expiration of six calendar months following the last calendar month in which the employee worked for such employer

When sick pay or medical expense pay are considered wages, employees will receive credit for these payments in determining their benefits (see **BENEFIT PROVISIONS, CLAIMS FOR BENEFITS**).

Gifts and Bonuses (Section 50-7-213(a))

When a gift or bonus is presented to an employee and the amount of the gift or bonus, or the employee's eligibility for it, is based on the length, quality, or quantity of service, or on the amount of profit the employer enjoyed, such gift or bonus is considered wages.

Deferred Compensation (Section 50-7-213(a))

Deferred compensation is wages and is reportable and subject to premiums at the time it is deducted from the employee's pay. This includes employee salary reduction contributions to cash or deferred plans under 401(k), 403(b), 457 or any other similar plan under the Internal Revenue Code.

Cafeteria Plans (Section 50-7-213(a))

Employee contributions to a qualified cash or deferred arrangement or to a cafeteria plan are wages and are reportable and subject to premiums at the time they are paid into the plan.

Back Pay Awards (Section 50-7-303(e))

Wages awarded under a back pay award are considered wages under the Tennessee Employment Security Law and are reported on the quarterly wage report for the quarter in which they are applicable.

Employers must pay premiums on back pay award wages when the back pay is due to be paid to the recipient.

Employers must notify the Department of any back pay award and send to the Department any unemployment benefits the Department has determined to be erroneously paid to the back pay recipient as a result of the back pay award. Premiums are paid on the gross back pay wages before the benefit overpayment is deducted and sent to the Department.

Every employer who is a party to a back pay award or settlement must send the following information to the Department:

1. the amount of back pay awarded to each recipient,
2. the name, address, and social security number of each recipient, and
3. the calendar weeks for which the back pay was awarded to each recipient.

The employer must submit this information on the employer's letterhead stationery within 30 days of the back pay ruling to: Benefit Payment Control, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, TN 37245-2400, telephone 615-741-2606.

When the Department receives the back pay award information, the Department compares the weeks the back pay covers to the weeks the recipient received unemployment benefits. The Department can then determine if there has been a benefit overpayment resulting from the back pay award.

A benefit overpayment will only occur in a week covered by the back pay award if the recipient received unemployment benefits for that same week.

If there are overpaid benefits, the Department will notify the employer and the employer will reimburse the Department for the amount of such unemployment benefit overpayment.

If the back pay award was not reduced by the amount of unemployment benefits received, the employer deducts the overpaid benefits from the back pay award and sends a payment for the amount of the overpaid benefits to the Department.

The amount of unemployment benefits received by the back pay recipient may only be deducted once from the back pay award settlement. If the back pay award settlement has already been reduced by the amount of the overpaid unemployment benefits, the employer cannot deduct that amount again from the back pay award.

If the award has been reduced by the amount of unemployment benefits, or if the employer deducted the overpayment from the final back pay award, the employer is liable to reimburse the Department for the benefit overpayment. Such overpayment will be collected from the employer in the same manner as delinquent premiums are collected.

Both reimbursing employers and premium paying employers must withhold benefit overpayments from back pay awards and must submit those overpayments to the Department.

The reimbursing employer must withhold the overpaid benefits even if the employer has already paid the Department for those same benefits. Once the Department receives the withheld benefits, the Department will credit the employer's account for those same benefits previously reimbursed to the Department.

If you have questions about back pay awards call 1-615-741-2606.

EXPERIENCE RATING (Section 50-7-403)

Definition

The purpose of experience rating is to make certain that individual employers pay their fair share of unemployment insurance costs and to insure Tennessee's Unemployment Compensation Trust Fund will have adequate reserves to pay unemployment insurance benefits.

Under Tennessee's unemployment insurance experience rating system, an employer's premium rate is based on his own unemployment insurance experience. The more unemployment benefits charged against an employer's account, in relation to the amount of unemployment premiums the employer has paid, the higher the employer's premium rate will be. Premium rates can be as low as 0.0% for employers who have paid more premiums than they

have been charged in benefits. Premium rates can be as high as 10.0% for employers who have more benefit charges than they have paid in premiums.

How and When an Employer Qualifies for Experience Rating (Section 50-7-403(f))

To qualify for experience rating, an employer's account must have been chargeable with benefits and subject to premiums for 36 consecutive calendar months ending on the computation date (December 31 of each year).

How an Employer's Premium Rate Is Computed (Section 50-7-403(b)(1))

Except in the case of staff leasing companies and their clients (see STAFF LEASING COMPANIES, Staff Leasing Companies' Experience Rating and Aggregate Reserve Ratios), an experience rated employer's premium rate is determined by:

deducting
all benefits charged to that employer as of December 31
from
all premiums paid by that employer for previous years as of January 31
to get the employer's RESERVE

then dividing
the employer's RESERVE
by
the employer's average taxable payroll for the three most recent calendar years
as of December 31
to get the employer's RESERVE RATIO (a percentage figure).

An employer's RESERVE RATIO will be in effect for the four-quarter period beginning July 1.

The position of the employer's RESERVE RATIO on the applicable Premium Rate Table on the Premium Rate Chart determines the employer's premium rate (see PREMIUMS AND TAXES, Premium Rate Chart).

The balance of the Unemployment Compensation Trust Fund on June 30 and December 31 of any year determines which one of six Premium Rate Tables will be used to assign nongovernmental employers their premium rates for the following two calendar quarters.

Governmental employers' premium rates are determined by the Premium Rate Chart for Governmental Employers.

Notice of Employer Premium Rate

The Notice of Employer's Premium Rate (LB-0482) is sent to employers in September. This notice shows the employer's experience as of the previous December 31, the employer's reserve ratio that will be in effect for the third and fourth quarters of the calendar year in which the notice is received, and the first and second quarters of the following calendar year, and shows the employer's premium rate for the third and fourth quarters of the current year. If there is a rate change effective January 1 of the following year due to a change in the Premium Rate Table, employers will receive a notice in January informing them of the change and providing them with their rate for the first two quarters of the new calendar year.

Notice of Employer's Premium Rate and Job Skills Fee, LB-0482

Appealing Your Premium Rate (Section 50-7-403(n))

An employer should check the Notice of Employer's Premium Rate (LB-0482) closely for errors upon receipt. You have 30 days to appeal your premium rate if, based on what was reported to the Department, your premium rate notice has an error in premiums paid, benefits charged, or taxable payroll or if calculations are incorrect. An appeal does not change any cutoff dates for filing reports or claims for adjustment or refund.

The appeal must be in writing and must be received within 30 days of the mailing of The Notice of Employer's Premium Rate. Send your protest to the Employer Services Unit, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, Tennessee 37243-3555,

requesting a review and recomputation of your premium rate. If you have any questions call the Employer Services Unit prior to sending your appeal. Call toll-free: 1-800-344--8337 and press 1 (call 1-615-741- 2486 if in the Nashville area or out of state).

After 30 days no premium rate will be changed until the next premium rate year.

REIMBURSING EMPLOYERS (Section 50-7-403(h))

Definition

Governmental employers and nonprofit employers (employers qualifying under Section 501(c)(3) of Internal Revenue Code) have the option of electing to become reimbursing employers rather than premium paying employers.

Reimbursing employers are essentially self-insuring. They are required to reimburse the Department dollar for dollar for their proportionate share of benefits paid to a former employee (see **BENEFIT PROVISIONS, CHARGING OF EMPLOYER FOR BENEFITS**).

Reimbursing employers are not experience rated and do not pay FUTA taxes, so they do not pay any of the costs of administering the unemployment insurance program.

Reporting Wages

Reimbursing employers must report wages paid to their employees on the quarterly Wage Report (LB-0851) and Premium Report (LB-0456) (see WAGE AND PREMIUM REPORTS), by Internet at <http://tnpaws.net> (see WAGE AND PREMIUM REPORTS, Filing Wage and Premium Reports on the Internet (TNPAWS)). Reimbursing employers with 250 or more employees must file their Wage Reports electronically (see WAGE AND PREMIUM REPORTS, Filing Wage Reports Electronically (mandatory with 250 or more employees)).

On the Premium Report, reimbursing employers report their *Total Number of Workers as of the 12th of Each Month of the Quarter* in the center of the report and report their *Total Wages* on line 1.

Reimbursing employers do not report *Excess Wages, Net Taxable Wages, or Premiums Due*.

Reimbursing employers must complete the Wage Report in its entirety.

Benefit Payments and Charges

Claimants who worked for reimbursing employers receive the same benefits in the same manner as claimants who worked for premium paying employers, and benefits are charged to reimbursing employers in the same manner as benefits are charged to premium paying employers.

Reimbursing employers reimburse the Department dollar for dollar for all benefits charged to them regardless of the reason for the separation of the former employee.

Reimbursing employers are not eligible for a benefit noncharge as are premium paying employers. (see **BENEFIT PROVISIONS, CHARGING OF EMPLOYER FOR BENEFITS**). This is because reimbursing employers do not pay anything into the unemployment insurance system until benefits have been paid to a former employee.

When a nonprofit employer or a governmental employer elects to reimburse for their portion of benefits, they enter into an agreement with the Department that they will pay back any benefits paid to their former employees. When an employer enters into that contract they give up statutory rights to the noncharge (T.C.A. 50-7-403(d)(1)(B)(iii) and (C)(ii)). If a reimbursing employer finds that it does not prefer the reimbursing status, such employer has the choice to elect to be a premium-paying employer.

Reimbursing employers do not get a noncharge because they in a sense get a “free ride”. Reimbursing employers do not pay the Federal Unemployment Tax (FUTA), which pays the administrative cost of the unemployment program, and they do not pay anything toward building the Trust Fund. In exchange, they take a risk that benefits could be paid to their former employees and they will have to reimburse the Department dollar for dollar for those benefits.

If reimbursing employers did not cover the costs of all benefits paid based on the wages they paid their former employees, these costs would have to be unfairly paid by all premium-paying employers in the form of higher premium rates.

A worker who quit or was discharged by a reimbursing employer can become eligible for benefits if he removes the imposed disqualification. In such event, the reimbursing employer would be charged for benefits paid. An Employer Notice of Claim Filed card (LB-0502) is sent to the reimbursing employer at this point in case the employer wants to make a job offer to the individual rather than pay the unemployment benefit charges.

Reimbursing employers reimburse the Department for their share of benefits even when the benefits were a result of an overpayment (benefits paid in error to a claimant). Once the Department has received repayment of the overpayment from the claimant, the Department will send the reimbursing employer a refund if requested by the employer. If the employer does not request a refund, the repaid overpayment will be applied to future benefit charges.

RECORD KEEPING AND AUDITS

Record Keeping (Rule 0560-2-3-.10)

An employer is required to keep records in connection with his business deemed by the Commissioner to be necessary for the effective administration of the law.

An employer's records must show the following information:

1. Period covered by the payroll
2. Place of employment within the state
3. Scheduled hours per day or week

Records must be kept on each individual employee showing:

1. Social security number and name
2. Date hired, rehired, and terminated
3. Full-time weekly wage
4. The number of hours for which he was paid (except for workers paid on salary)
5. Gross wages in each pay period and total wages for all pay periods in a calendar quarter
6. Value of any remuneration other than cash
7. Any special payments (bonuses, gifts, prizes, etc.)

IMPORTANT: These records must be maintained for the most recent seven-year period.

Audits of Employer Records (Section 50-7-701; Rule 0560-2-3-.10)

Tennessee is required by the federal government to audit the records of at least 2% of Tennessee's covered employers each year to insure that they are in compliance with the federal and state unemployment insurance laws. The majority of the employers audited are picked at random by a computer. Audits are also done when there is reason to believe that an employer may be out of compliance with the unemployment insurance laws.

The Department's Employer Accounts Auditors have the right to audit any employer's records to determine liability, verify payroll information, correct improper reports, or collect delinquent premiums.

If an audit discloses an underpayment of premiums, the auditor will collect additional premiums and interest due. If there is an overpayment, the auditor will help the employer apply for a refund or credit adjustment.

An employer may file an application for a review and redetermination of the audit by the Department in accordance with T.C.A. Section 50-7-404(i) if he does not agree with the Employer Accounts Auditor's findings. For information call (615) 741-2346.

Employer Accounts Auditors are issued identification by the Department. Employers should not hesitate to ask for proper identification.

WAGE AND PREMIUM REPORTS

Filing (Rule 0560-2-1)

The Tennessee Department of Labor and Workforce Development, Division of Employment Security Wage Report (LB-0851) and Premium Report (LB-0456) and any premiums due are submitted to the Department quarterly and are due within one month after the end of each calendar quarter. The Wage and Premium Reports and any premiums due become delinquent after January 31, April 30, July 31, and October 31 for the respective calendar quarters. Timely wage reporting and premium payments will prevent costly interest and penalty charges and will prevent assessments (see ADDITIONAL CHARGES, PENALTIES AND ENFORCEMENT).

The Wage and Premium Reports are mailed to employers each calendar quarter. Read the instructions carefully before completing the reports. Return the original to the Department with your premium payment.

There are three ways to file Wage Reports:

1. on the paper form you receive in the mail (see Filing Wage Information on Plain Paper), or
2. by Internet (see Filing Wage and Premium Reports on the Internet (TNPAWS) <http://tnpaws.tnui.net>,
3. or electronically - this is mandatory with 250 or more employees (see Filing Wage Reports Electronically).

There are two ways to pay your premiums:

1. by check with your paper Premium Report or with your payment coupon if filing via the Internet or
2. electronically by Automated Clearing House (ACH) Credit (see Paying Premiums Electronically by Automated Clearing House (ACH) Credit).

A staff leasing company must keep separate records and file separate Wage and Premium Reports for each client under each client's individual employer account number (see STAFF LEASING COMPANY, Wage and Premium Reports for Staff Leasing Companies and their Clients).

An employer is not relieved of his responsibility to submit reports and pay premiums due if he does not receive his report forms. If you do not receive your Wage and Premium Report forms, contact your [Employer Accounts Office](#) listed in the Directory on page 2 of this Handbook, or call the toll-free number: 1-800-344-8337 and press 1 (call 1-615-741-2486 if calling from the Nashville area or from out of state). When requesting reporting forms, employers must give their eight-digit Tennessee Employer Account Number for unemployment insurance to ensure the reports will have the correct premium rate.

Reporting Total Monthly Employment

In the center of the Premium Report are blocks for reporting the number of workers who were on an employer's payroll on the 12th day of the first, second, and third months of the quarter.

This information is mandatory. The U.S. Department of Labor Statistics, the U.S. Department of Commerce, and the U.S. Unemployment Insurance Service use this information in a number of national statistics.

Employers must report all full-time and part-time workers in covered employment who worked during or received pay (subject to unemployment insurance wages) for the payroll period that included the 12th of the month. Enter zero (0) if there was no employment in the payroll period that included the 12th of the month.

Reporting Wages (Rule 0560-2-3-.10)

Wages must be listed by social security number and employee name on the Wage Report. When listing an employee's name, give the employee's first initial, followed by the employee's middle initial and the first six letters of the last name.

Wages are reported on the Wage Report and Premium Report in the calendar quarter in which the wages are paid, not the calendar quarter in which the wages are earned.

For example: if an employee worked for you the last week in June, but was not paid for that work until the first week in July, the wages paid for his work in June would be reported on your third quarter Wage Report and Premium Report, rather than your second quarter report. Even though the services were performed in the second quarter, the employee was not paid until the third quarter.

The taxable wage base in Tennessee for unemployment insurance purposes is \$9,000. Premiums are paid on only the first \$9,000 paid to each employee by an employer during a calendar year.

All wages (as defined in T.C.A. Section 50-7-213) paid to each employee during a calendar quarter must be shown on the Wage and Premium Reports even though some of these wages may be in excess of the \$9,000 wage base. Total wages paid each employee are needed because both a claimant's unemployment benefit eligibility and the amount of benefits a claimant can receive are based on his total wages.

Employers must total the wages on each page of the Wage Report and write the total as indicated at the bottom of each page of the report.

The Wage Report and Premium Report are designed to be processed on scanning equipment that uses Intelligent Character Recognition. The data provided on these reports may be machine printed or hand-printed. It is extremely important to follow the instructions included with the reports. On the actual form, hand-print boxes designate the areas to be completed by each employer.

Filing Wage Information on Plain Paper

Some employers, with fewer than 250 wage items, prefer to attach a wage listing to their quarterly report instead of printing individual employee wage information directly on the Wage Report (Form LB-0851). Wage items can be printed on plain paper. Please follow all the instructions below and the example on the following page for printing lists of employee wages that can be read by our scanning equipment.

Using the example on the following page:

1. Type your Employer Name, Employer Account Number and applicable quarter and year across the top of the page. This information must be printed less than an inch from the top of the page.
2. Print employee information only once on the listing and in columns in the order shown below.

Information required	shown on the first line (See the example on the following page)
Social Security Number	111111111
First Name (first initial preferred)	A
Middle Initial	B
Last Name (first six letters preferred)	EMPLOY
Total Wages Paid This Quarter	1000.00

3. Use only Standard 8.5" x 11" white, 20lb (minimum) plain office paper.
4. All employee information must be machine printed, double-spaced and printed on only one side of the paper.
5. Print data length-wise (portrait-style) on the page with no more than 24 employees per page.

6. Print all information on the page in a Fixed-Pitch Font Type and 12-Point Font Size.
Examples, in order of preference, are OCR-A, OCR-B, Courier New, Line Printer and MS Line Draw.
NOTE: Dot Matrix printing cannot be read by the Department's scanning system.
7. Do not use hyphens in Social Security Numbers.
8. Right justify wage amounts and use a decimal, but **do not** use commas and dollar signs.
9. Do not include employees with a zero or negative quarterly wage amounts.
10. Print a page total below the last wage amount.
11. Top, bottom, left and right margins must be set at 1 inch. Print all employee information within the 1-inch margins. Set Tab stops between the columns of wage data at a minimum of 1/2 inch apart.
12. **IMPORTANT:** Sign and date the agency-provided Wage Report and return the Wage Report to us with the Total Wages for the entire report entered in the correct field and attach your wage list

If you have any questions regarding wage reporting on plain paper, please contact Wage Records Unit at (615) 741-3280.

Filing Wage Reports Electronically (mandatory with 250 or more employees) (Section 50-7-404(c)(3))

Every employer with 250 or more employees and every employer agent who reports wages on 250 or more employees are required by law to report their wage information by magnetic media.

To meet this requirement, employers can file their reports on diskette or CD, by modem or via the Internet (see Filing Wage and Premium reports on the Internet (TNPAWS)).

The penalty for subject employers and subject employer agents who do not report electronically is \$50 per month for each wage report that is not filed on magnetic media. The penalty is imposed until the time the employer begins complying with the law. Once the employer or the employer agent begins complying with the law, penalties for past quarterly reports will cease to accrue. The maximum penalty for each quarterly report is \$500. This penalty also applies to persons or organizations that, as an agent, report wages on 250 or more employees on behalf of one or more subject employers.

Employers with fewer than 250 employees are also encouraged to report wage information electronically. Employers should realize a substantial benefit in reducing paper handling costs, and the Department will benefit from increased efficiency in operations.

Any employer can report his wages and premium report data by modem. A bulletin board system is available to any employer to dial into by modem and transmit the data.

Employers can also now make their premium payments electronically by Automated Clearing House (ACH) Credit. This would be set up through their bank using the format designed by the Department. Using ACH to pay premiums eliminates writing a paper check (see Paying Premiums Electronically by Automated Clearing House (ACH) Credit).

To begin reporting by diskette or CD, call 1-615-741-3280 or write: Employer Accounts Operations, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, Tennessee 37243-3535. For information on reporting by modem, call 1-615-741-2346.

Filing Wage and Premium Reports on the Internet (TNPAWS) <http://tnpaws.tnui.net>

The Tennessee Premium and Wage Reporting System (TNPAWS) allows employers to complete the quarterly unemployment Premium and Wage Report via the Internet. All employers with a valid access code can file using TNPAWS. An access code is assigned to every eligible employer and is printed on your Premium Report (LB-0456) to the right of line 1 (Total Wages). For security reasons, the access code will change every year and will

EMPLOYER NAME, EMPLOYER ACCOUNT NUMBER, QUARTER YEAR

111111111	A	B	EMPLOY	1000.00
222222222	B	C	EMPLOY	2000.00
333333333	C	D	EMPLOY	3000.00
444444444	D	E	EMPLOY	4000.00
555555555	E	F	EMPLOY	5000.00
666666666	F	G	EMPLOY	6000.00
777777777	G	H	EMPLOY	7000.00
888888888	H	I	EMPLOY	8000.00
999999999	I	J	EMPLOY	9000.00
211111111	J	K	EMPLOY	10000.00
322222222	K	L	EMPLOY	11000.00
233333333	L	M	EMPLOY	12000.00
244444444	N	O	EMPLOY	13000.00
255555555	O	P	EMPLOY	14000.00
266666666	P	Q	EMPLOY	15000.00
277777777	Q	R	EMPLOY	16000.00
288888888	R	S	EMPLOY	17000.00
299999999	S	T	EMPLOY	18000.00
311111111	T	U	EMPLOY	19000.00
322222222	U	V	EMPLOY	20000.00
344444444	V	W	EMPLOY	2100.00
433333333	X	Y	EMPLOY	22000.00
			PAGE TOTAL	253000.00

only be provided on the Premium Report.

To report over the Internet, go to the TNPAWS home page, <http://tnpaws.tnui.net>, to register a User Name and Password and begin the filing process. An employer may choose to file a “No Payroll” report, or a Premium and Wage Report. A “No Payroll” report can be filed quickly and without incurring postal charges. If a Premium and Wage Report is filed, the employer must enter the monthly employment figures, each employee’s Social Security Number, Name, and Gross Wages.

The employee wage information entered into TNPAWS is retained from one quarter to the next, thus eliminating the task of entering the same data quarter after quarter. In subsequent quarters, the employer adds and/or deletes employees to prepare their current quarterly report.

TNPAWS calculates total, excess, and taxable wages before determining the premium amount due. Employers may override the excess wage calculation, if they so choose, before submitting their report. A confirmation number is assigned to each report to notify the user that the information has been successfully transmitted. The employer is prompted to print a copy of the report for their records, and if premiums are due, the employer is prompted to print the payment coupon.

Employers can pay their premiums by mailing a check with the payment coupon or paying by ACH Credit (see Paying Premiums Electronically by Automated Clearing House (ACH) Credit, below). If paying by check, the employer should enclose the payment coupon. The payment coupon ensures that the employer’s remittance will be applied to the submitted report. Failure to include the payment coupon could result in your account not being properly credited.

Employers can make premium payments electronically, instead of by check (see Paying Premiums Electronically by Automated Clearing House (ACH) Credit).

Paying Premiums Electronically by Automated Clearing House (ACH) Credit

Employers may elect to pay their premiums electronically by Automated Clearing House (ACH) Credit instead of writing and mailing a check.

To begin paying by ACH Credit, an employer first must submit an Electronic Funds Transfer Agreement and make arrangements with their financial institution.

Employers must use the specified format provided on the Department’s website at www.tn.gov/labor-wfd/Employers/ach.html when initiating payments by ACH Credit.

The Electronic Funds Transfer Agreement can be printed from the Department’s website or the TNPAWS home page <http://tnpaws.tnui.net>.

For questions concerning electronic payment of premiums, call 1-615-741-2346.

Extension of Time to File (Rule 0560-2-1-.05)

An extension of time to file Wage and Premium Reports and to pay premiums may be granted by the Administrator, if good cause for the delay is shown. This extension shall not exceed 30 days.

To receive an extension of time, an employer must submit his request in writing before the due date for the quarter involved. Requests should include the employer's Employer Account Number and the reason for needing an extension of time. Send requests to Employer Accounts Operations, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, Tennessee 37243-3500. If you have any questions regarding this matter, call 1-615-741-2346.

“No Payroll” Reports

Every covered employer must file a Wage Report and Premium Report each calendar quarter. If an employer’s business temporarily closed and/or if the employer did not pay any wages during the calendar quarter, the employer still must file the report for that calendar quarter. In such instances the employer writes “No Payroll” in a conspicuous place on both the Wage Report and Premium Report.

Failure to file “no payroll” reports on time will result in penalty charges and could result in an assessment of taxes being made (see ADDITIONAL CHARGES, PENALTIES AND ENFORCEMENT).

Underpayments and Overpayments

The Department mails monthly statements of outstanding debit balances (underpayments) and monthly statements of outstanding credit balances (overpayments) to employers who have an underpayment or overpayment.

If the employer has an overpayment, a credit will show on the statement with a minus (-) sign after the amount due. Deduct the credit amount shown on the statement from your premiums due for a future quarter.

NOTE: Any outstanding credit or debit balance on a predecessor’s account when there is a mandatory transfer of experience will be reflected in the balance shown on the successor’s statement.

Correcting Reports (Section 50-7-404(f))

Do not make corrections for errors made on previous Wage and Premium Reports on the current quarter’s Wage and Premium Report.

Please do not submit an amended Wage and Premium Report. Employers must file either a Claim for Adjustment or Refund (LB-0459) or a supplemental Wage Report (LB-0851) and Premium Report (LB-0456).

Make any corrections and adjustments as shown below:

ERROR	HOW TO CORRECT
over reported total and/or taxable wages	complete the Claim for Adjustment or Refund (LB-0459)
under reported total AND taxable wages	complete a supplemental Wage Report and Premium Report (LB-0851, LB-0456)
under reported taxable wages only	complete the Claim for Adjustment or Refund (LB-0459)
under reported total wages only	complete a supplemental Wage Report and Premium Report (LB-0851, LB-0456)
employees reported that are not covered by unemployment	complete a Claim for Adjustment or Refund (LB-0459)
omission of employee(s) from report	complete a supplemental Wage Report and Premium Report (LB-0851, LB-0456)
employees reported to Tennessee that should have been reported to another state	complete a Claim for Adjustment or Refund (LB-0459) and provide proof of the report and payment to the other state
employees reported to another state that should have been reported to Tennessee	complete a supplemental Wage Report and Premium Report (LB-0851, LB-0456) (see “NOTE” on the following page)

omission of social security
number(s)

submit list of name(s) and
social security number(s)

If the correction results in additional premiums due, send in your payment with your Claim for Adjustment or Refund (LB-0459) or with your supplemental reports.

If the correction results in an overpayment, a credit will be issued to apply against future premiums. An employer cannot make a deduction on a Premium Report for overpaid premiums from prior quarters until the Department has issued the credit statement to the employer.

Cash refunds will be issued upon request if the credit is greater than the projected premiums due for the next four quarters. Requests for cash refunds must be in writing.

A Claim for Adjustment or Refund Form (LB-0459) is located on our website www.tennessee.gov/labor-wfd/

click FORMS from above the Mission Statement
click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS
click CLAIM FOR READJUSTMENT OR REFUND

In addition, Claim for Adjustment or Refund (LB-0459) and supplemental Wage Report (LB-0851) and Premium Report (LB-0456) forms may be obtained from your local [Employer Accounts Office](#) listed in the Directory on page 2 of this Handbook or from Employer Services, 220 French Landing Drive, Nashville, Tennessee 37243-3555, or by calling toll-free: 1-800-344-8337 and pressing 1 (call 1-615-741-2486 if calling from the Nashville area or from out of state).

Include on all correspondence the name of the employing unit name as it is on file with the Department, the Employer Account Number and the calendar quarter(s) and year(s) affected by the corrections.

A request for a refund must be made within three years of the payment.

There is no time limit for a request for refund when the premiums were erroneously paid to Tennessee and should have been paid to another state.

NOTE: If premiums that should have been paid to Tennessee were paid to another state in error, the premiums are still due Tennessee. There will be no interest charge if the premiums are paid to Tennessee within the month following the month in which the employer was notified that the employees should have been reported to Tennessee. Contact the state to which the premiums were paid in error to receive a refund for those premiums.

ADDITIONAL CHARGES, PENALTIES AND ENFORCEMENT

Interest Charges (Section 50-7-404(a))

If premiums are not paid by the due date, the employer will be charged an interest rate of one and one half (1.5%) percent per month or portion of a month.

Penalty Charges (Section 50-7-404(c)(3))

If either the quarterly Premium Report or the quarterly Wage Report is not filed by the date due, or if an employer intentionally files an incomplete quarterly Premium Report or an incomplete quarterly Wage Report, the employer will be charged a penalty at the rate of \$10 per month or portion of a month up to a maximum of \$50 per delinquent report.

The penalty for not reporting by magnetic media when required to do so is \$50 per report, per month, up to a maximum of \$500. (see WAGE AND PREMIUM REPORTS, Filing Wage Reports Electronically).

Employers with no payroll during a quarter must still file Wage and Premium Reports and must file these reports on time to avoid penalty charges.

Note: There is also a SUTA Dumping penalty of 2% of an employer's taxable payroll levied against employers who have engaged in SUTA Dumping violations. (see SUTA DUMPING, Punishments and Penalties for SUTA Dumping Violations).

Assessments (Section 50-7-404(c))

(1) Assessments for Failure to File Wage and Premium Reports

When an employer continues to refuse to submit his Wage Report (LB-0851) and Premium Report (LB-0456) after notices and warnings, the Department assesses the employer's account for premiums due.

The assessed premiums for each quarter due are the greater of \$50 or the assessed amount for the quarter. The assessed amount is based on the employer's most recent taxable wage information available on file, and the employer's premium rate for the quarter.

The Department notifies an employer of a pending assessment by certified mail. An employer has thirty days to file reports or file a written letter of protest to the Commissioner before the assessment becomes final.

Once an assessment becomes final, the employer must pay the assessed premiums in full plus any interest and penalty due.

(2) Jeopardy Assessments

The Commissioner can assess an employer's account before premiums become due if the Commissioner determines that a delay would jeopardize collections. The amount of a jeopardy assessment is immediately due and payable.

Liens (Section 50-7-404(b))

A lien will be placed on the assets of an employer if the employer has not paid his delinquent premiums, job skills fees, interest charges, or penalties after due notice.

Injunctions (Section 50-7-404(d))

In extreme cases where an employer continues to refuse to comply with the law, the Department may petition the courts to issue an injunction prohibiting the employer from doing business until he has complied with the law.

Revoking Corporate Charters and Dissolving Limited Liability Companies

(50-7-404(k))

The Commissioner has the power to revoke the charters of corporations and the power to dissolve limited liability companies that do not comply with the unemployment insurance law by failing or refusing to file any quarterly report or to pay any fees, premiums, penalties, or interest due and has remained delinquent for a period of 90 days or more.

Benefit Accuracy Measurement (BAM)

The Benefit Accuracy Measurement (BAM) unit investigates randomly selected sample claim payments to ensure that no fraud has been committed in receiving benefits and to ensure that all unemployment insurance laws and policies were followed. Claimants who received the payments and their employers are contacted, and all records are verified to determine if there are any errors in the benefit payments and the causes of the errors.

MULTIPLE WORKSITE REPORT

Employers conducting business operations in more than one location in Tennessee are requested to complete a Multiple Worksite Report (BLS-3020) each quarter.

The Tennessee Department of Labor and Workforce Development's Division of Employment Security, Research and Statistics, in cooperation with the U. S. Department of Labor, Bureau of Labor Statistics, uses information from the Multiple Worksite Report for various economic studies.

The worksite level data gathered from this report is necessary to accurately measure area economic activity. Research and Statistics also uses this data to prepare summaries for economic research, new location studies, and wage analysis.

Each quarter the Department mails the Multiple Worksite Reports to employers who have more than one physical location in Tennessee. The Multiple Worksite Report comes printed with the trade name and the address of all the employer's known worksites. Instructions for completion of the report are on the back of the form. The average completion time for this form is 22 minutes.

If you have employees in more than one physical location in Tennessee and are not receiving this form, write Research and Statistics, Tennessee Department of Labor and Workforce Development, Division of Employment Security, 11th Floor, 500 James Robertson Parkway, Nashville, TN 37245-1030, or call 615-741-2116 to begin reporting.

POSTING OF NOTICES (Rule 0560-2-3-.09)

Employers covered by the Tennessee Employment Security Law are required to post notices in appropriate locations in their establishment and distribute material to workers in their employ as such information is furnished by the Department of Labor and Workforce Development's Division of Employment Security.

Employers may receive the poster "Unemployment Insurance for Employees" by contacting their [Employer Accounts Office](#) listed in the Directory, by writing the Tennessee Department of Labor and Workforce Development, Division of Employment Security, 220 French Landing Drive, Nashville, TN 37243-1700, or by calling toll-free 1-800-344-8337 (call 1-615-741-2346 if calling from the Nashville area or from out of state).

Other posters employers must display are listed in the back of this Handbook under POSTERS REQUIRED TO BE DISPLAYED BY EMPLOYERS.

POINTS EMPLOYERS SHOULD REMEMBER REGARDING EMPLOYER ACCOUNTS PROVISIONS

1. Pay premiums only on the first \$9,000 you pay to each employee in a calendar year, but report total wages paid to each employee for the quarter on the Wage Report (LB-0851).
2. Report wages in the calendar quarter in which they are paid, not in the calendar quarter in which they are earned.
3. Check the Notice of Employer's Premium Rate (LB-0482) for accuracy. If it is incorrect, notify the Department within 30 days of receipt of notice (see EXPERIENCE RATING, Appealing Your Premium Rate).
4. File all Wage Reports (LB-0851) and Premium Reports (LB-0456) and pay all premiums when due. Failure to report results in interest and penalty charges and possibly a higher premium rate.
5. Notify the Department whenever there is a change in ownership, so that any agreed to transfer of experience can be completed, and also to avoid the penalties associated with failing to notify the Department of a change of ownership that requires a mandatory transfer of experience. (see SUTA DUMPING and see MERGERS AND SUCCESSORSHIPS).
6. Do not report workers who are not covered by unemployment insurance. These include students involved in a co-op program and certain family members of an individual proprietor. An employer DOES NOT report or pay premiums on wages earned by a student who is enrolled at a nonprofit or public educational institution, which combines work experience with academic instruction in a full-time program for credit at such institution. An individual proprietor DOES NOT report or pay premiums on wages paid to his son or daughter under the age of 18, his spouse, or his mother or father.
7. File Wage Reports on magnetic media if you report 250 or more employees. This is required by law (see WAGE AND PREMIUM REPORTS, Filing Wage Reports Electronically).

Employers reporting 25 or more employees are encouraged to file on diskette or CD.

Employers filing wage information by magnetic media are still required to submit their Premium Reports and the Wage Report cover sheets with their premium payments.

8. Wage and Premium reports filed over the Internet save time and reduce error. To file on the Internet go to <http://tnpaws.tnui.net>

If you file your reports over the Internet DO NOT mail in paper forms (see WAGE AND PREMIUM REPORTS, Internet Reporting, TNPAWS).

9. File your Premium Report and your Wage Report cover sheets on the paper form supplied by the Department. If you are not filing your Wage Report by magnetic media, submit your Wage Report on the paper form supplied by the Department or on plain paper in the same format as the Wage Report supplied by the Department.
10. Call the [Employer Accounts Office](#) for your area if you have any questions or if you need assistance. The eight Employer Accounts Offices are listed in the Directory on page 2 of this Handbook.
11. Provide sufficient information on your Report to Determine Status, Application for Account Number (LB-0441) so the Department can correctly determine your industry classification. Failure to do so could result in your being assigned the maximum 10.0% premium rate.

BENEFIT PROVISIONS

CHARGING OF EMPLOYER FOR BENEFITS (Section 50-7-403(d))

Charges

The unemployment insurance benefits paid to a claimant are charged proportionately to the employers who paid the claimant wages during the claimant's base period.

A claimant's base period is the first four of the last five completed calendar quarters prior to the calendar quarter in which the claimant filed his claim for unemployment benefits.

For example: if an employer paid 38% of a claimant's base period wages, then that employer would be potentially liable for 38% of every benefit check the claimant received during the claimant's benefit year.

A claimant's benefit year is the 52-week period beginning the week in which the claimant first filed his claim for unemployment benefits.

All base period employers are notified when a former employee files a claim for unemployment benefits since all base period employers are potentially liable for benefit charges.

Reimbursing employers reimburse the Department dollar for dollar for the benefits charged to their account. Charge statements are sent monthly to reimbursing employers, and payment must be made for those benefits paid within 30 days of the date of notice to avoid interest charges (see **EMPLOYER ACCOUNTS PROVISIONS, REIMBURSING EMPLOYERS, Benefit Payments and Charges**).

Premium paying employers do not reimburse the Department for the benefits charged, but do have the charges deducted from their reserve accounts which directly affects their premium rates (see **EMPLOYER ACCOUNTS PROVISIONS, EXPERIENCE RATING**).

Noncharges

Premium paying employers can receive a noncharge for benefits paid to former employees if the claimant was separated from that employer for voluntarily quitting or for misconduct (see Base Period Employer's Notice of Claim Filed Card).

Premium paying employers can also receive a noncharge if they are employing the claimant part-time and continue to employ the claimant to the same extent as they employed the claimant during the claimant's base period.

If a premium paying employer receives a noncharge, benefits paid to that former employee will not be deducted from the employer's reserve and will not affect the employer's premium rate (see **EMPLOYER ACCOUNTS PROVISIONS, EXPERIENCE RATING**).

Reimbursing employers do not qualify for a noncharge under any conditions (see **EMPLOYER ACCOUNTS PROVISIONS, REIMBURSING EMPLOYERS, Benefit Payments and Charges**).

Benefit Overpayments

When benefits have been erroneously paid to a claimant, an overpayment is established and the Department seeks to obtain from the claimant repayment for the amount overpaid.

A benefit overpayment is not charged to the account of a premium paying employer. If an overpayment has been established after a premium paying employer has been charged with the benefits, such employer's account will be credited with the amount of the overpayment at the time the overpayment is established.

A reimbursing employer is charged with the benefit overpayment until the claimant reimburses the Department for the overpayment. Once the claimant repays the overpayment, the reimbursing employer will receive a refund.

Other Benefit Charges (Section 50-7-304(b)(2)(b) and (D))

The employer will be charged for his proportion of the benefits paid and no benefit overpayment will be established in cases where the benefits were paid erroneously as a result of:

1. the employer not responding on time to the separating employer's Notice of Claim Filed and Request for Separation Information (LB-0810) and later appealing the decision and the decision is reversed in the employer's favor, or
2. the employer who does not appear at a scheduled Appeals Tribunal or Board of Review hearing but later appeals the decision and the decision is reversed in the employer's favor.

Separating Employer's Notice of Claim Filed and Request for Separation Information, LB-0810

Separating Employer's Notice of Claim Filed and Request for Separation Information (Section 50-7-304(b)(2)(C))

NOTE: Failure to complete this form could result in unnecessary benefit charges to an employer's account and erroneous benefit payments to a claimant.

When a claim for benefits is filed, a statement is taken from the claimant. If additional information is needed, a Notice of Claim Filed and Request for Separation Information (LB-0810) form letter is mailed to the separating employer requesting information on the reason for separation. This form letter includes one of a set of questionnaires that are specific to a particular issue.

It is very important for employers to return the reason for separation information promptly; otherwise, the claimant's eligibility determination must be based upon the claimant's statement and any other available information. If we do not have the employer's separation information, an otherwise ineligible claimant, could receive benefits and the employer charged for those benefits.

After all the separation information has been received, the Department issues an Agency Decision (LB-0503). The Agency Decision either approves or rejects the claim. Both the employer and the claimant have 15 days to appeal

the Agency Decision if they disagree with the findings. If no appeal is made, or once the appeals process is completed, the Agency Decision becomes final and binding (see APPEAL RIGHTS).

Base Period Employer's Employer Notice of Claim Filed Card

NOTE: Failure to complete this form could result in benefit charges to an employer's account instead of a noncharge.

After a claimant files an initial claim, the Department sends all base period employers an Employer Notice of Claim Filed card (LB-0502) to notify them that their accounts are subject to being charged for their proportional share of benefits.

A base period employer is an employer who paid the claimant some wages during the claimant's base period. A claimant's base period is the first four of the last five completed calendar quarters prior to the calendar quarter in which the claimant filed his claim for unemployment benefits.

If a claimant left a premium paying employer for misconduct or voluntarily quitting, the premium paying employer may request that the employer's account be given a noncharge. An employer has fifteen days from the date the Employer Notice of Claim Filed card is mailed to request a noncharge. If the employer's request for the noncharge is not postmarked within fifteen days of the date the Employer Notice of Claim Filed card is postmarked, the employer's request will not be timely and will therefore be denied.

Separating employers who are also base period employers receive the Employer Notice of Claim Filed card but do not return the card to the Department since the agency decision has already been issued to the employer and is binding.

When you request a noncharge include an explanation of the disqualifying circumstances under which the claimant left your employment, a copy of your former employee's Separation Notice (LB-0489) and any other available documentation. A request for noncharge will be denied if the employer does not send adequate documentation.

Employers who have elected to make payments in lieu of premiums (reimbursing employers) cannot be given a noncharge. The Employer Notice of Claim Filed card does let the reimbursing employer know that a former worker is unemployed in case that employer would like to offer work to the claimant.

Base Period Employer's Employer Notice of Claim Filed Card, LB-0502

Statement of Benefit Charges

The Department mails a Statement of Benefit Charges (LB-0481) to each employer that paid a claimant wages during the claimant's base period. The Statement of Benefit Charges lists all former employees who were paid benefits based on wages paid by that employer during the period covered by the statement, and the amount of benefits paid to former employees during that period. The Statement of Benefit Charges is mailed to reimbursing employers on a monthly basis and to premium paying employers on a quarterly basis. If you have questions about your Statement of Benefit Charges, call (615) 741-2223.

Statement of Benefit Charges, LB-0481

SEPARATION NOTICES

Employers Required to Use (Rule 0560-1-1-.02)

The Tennessee Employment Security Law's Rules and Regulations require every employer to give a Separation Notice (LB-0489) to each employee whose employment has terminated or who is separated from his employment for an expected duration of seven days or more.

Separation Notices reduce the administrative cost of processing claims and help the Department make a more accurate determination of eligibility.

The employer:

1. completes the Separation Notice form in its entirety, making sure that the employee's name, social security number, and the date that employment was terminated are correct. If the claimant left for any reason other than lack of work, the employer needs to give a clear explanation of the reason for separation where indicated under item (5) on the Separation Notice.
2. gives the Separation Notice to the separated employee within 24 hours of the separation.
3. does not send a copy of the Separation Notice to the Department.

unless requested by the Department, does not have to give a Separation Notice to any worker who was

4. employed for less than one week and was separated for lack of work.

If 25 or more workers are separated simultaneously from the same establishment solely due to "lack of work," the employer may file a Mass Separation Notice (LB-0490) instead of giving each separated employee an individual Separation Notices (see Mass Separation Notice).

Separation Notices may be obtained from any [Labor and Workforce Development Benefit Office](#) or by calling 1-615-253-6122. For the Labor and Workforce Development Office nearest you call 1-800-576-3467.

The Separation Notice is also located on our web site, www.tn.gov/labor-wfd/.

click FORMS above the Mission Statement
click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS
click SEPARATION NOTICE

Separation Notice, LB-0489

Mass Separation Notice

When 25 or more workers are separated simultaneously from the same establishment solely due to "lack of work," the employer may file a Mass Separation Notice (LB-0490) in lieu of the individual Separation Notices.

Mass Separation Notices may be obtained from any or by calling 1-615-253-6122. (see MASS LAYOFFS). The Mass Separation Notice is also located on our web site, www.tn.gov/labor-wfd/.

click FORMS above the Mission Statement
click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS
click MASS SEPARATION NOTICE

Mass Separation Notice, LB-0490

NEW HIRE REPORTING

All employers are required by federal and state law to report all newly hired and rehired employees, and their date of hire, to the Tennessee Department of Human Services' Tennessee New Hire Reporting Program. This information is matched on a weekly basis with benefit records to detect overpayments.

Cross-matching claimant records with new hire information detects and stops unemployment benefit overpayments much sooner than the traditional quarterly wage cross match. To be effective the new hire should be reported the day of the hire, and no later than five days after the hiring date. Prompt reporting of new hire information prevents fraud in the unemployment program, protects your unemployment reserve account and helps keep your unemployment premiums low.

Please contact the address below for instructions on the proper reporting of future new hire information.

Tennessee New Hire Reporting Program
P. O. Box 541150
Omaha, NE 68154-1150
Phone: 1-888-715-2280, FAX: 1-877-505-4761

BENEFIT ELIGIBILITY (Sections 50-7-301, 50-7-302, 50-7-303(a))

Requirements

In order to be eligible to receive unemployment benefits, a claimant must

1. Have been separated from his most recent covered employer through no fault of his own.

A claimant will not be eligible for benefits if he left his most recent covered employer for disqualifying reasons such as:

- a. voluntarily quitting without good cause connected with work,
- b. being discharged for willful misconduct connected with work, or
- c. being involved in a labor strike in active progress.

(see BENEFIT DISQUALIFICATIONS for more details)

2. Have earned sufficient wages during his base period to be monetarily eligible for benefits. (A claimant's base period is the first four of the last five complete calendar quarters prior to the quarter in which he filed his claim for benefits.)

A claimant will be monetarily eligible if the claimant had wages for insured employment of at least \$1,560.02 in the two highest quarters of his base period. A claimant must also have had the lesser of six times his weekly benefit amount or \$900 in total wages in the three quarters outside the high quarter of his base period.

The claim of a monetarily eligible individual could be approved if the separation was due to non-disqualifying circumstances.

To receive unemployment benefits an unemployed worker must establish a benefit year by filing a claim, meet work search requirements, and meet the following qualifications:

1. be totally unemployed or performing less than full-time work and earning less than his weekly benefit amount;
2. be able and available for work (unless specifically exempted in Section 50-7-302(a)(3));
3. have served a waiting period of one week*; and
4. be making a reasonable effort to secure work, unless specifically exempted in Section 50-7-302(a)(4).

** The claimant is not paid benefits for the waiting period unless and until the claimant is certified for benefits in the claimant's waiting period and in each of the three consecutive weeks immediately following the claimant's waiting period.*

A benefit year is established when a valid claim is filed and continues for 52 weeks from the effective date of the claim.

Weekly Benefit Amount (Section 50-7-301(b))

The maximum amount of unemployment benefits a claimant is eligible to receive each week is called his weekly benefit amount (WBA).

A claimant's WBA is based on the average of his total wages in the two highest quarters of his base period (the first four of the last five completed calendar quarters prior to the calendar quarter in which he filed his initial claim for benefits). His WBA will correspond to his two-quarter average on the unemployment insurance Benefit Table. WBA's increase in increments of \$1 from a minimum WBA of \$30 to a maximum WBA of \$275.

A claimant must have a two calendar-quarter average of at least \$780.01 to qualify for the minimum WBA of \$30 and a two-quarter average of at least \$7,150.01 to qualify for the maximum WBA of \$275.

Maximum Benefit Amount and Duration of Benefits (Section 50-7-301(d))

The maximum benefit amount a claimant may receive during his benefit year (the 52-week period beginning the week in which the claimant files his initial claim) is the lesser of 26 times his weekly benefit amount (WBA) or one-fourth of his total base period wages for insured work.

The lesser of these two figures is then divided by the claimant's WBA to determine the number of weeks he can draw benefits. The duration varies from 13 to 26 weeks.

Deductible Allowance (Section 50-7-301(c)(1))

A claimant's deductible allowance is the greater of \$50 or 25% of his weekly benefit amount (WBA). A claimant may earn up to his deductible allowance in wages in a week and still be eligible for his full WBA. Wages in excess of the deductible allowance are deducted dollar for dollar from a claimant's WBA. A claimant will not be eligible for benefits in any week in which he had wages equal to or in excess of his WBA (see PARTIAL UNEMPLOYMENT).

BENEFIT DISQUALIFICATIONS

Voluntary Quits (Section 50-7-303(a)(1))

A person who leaves his most recent work voluntarily without good cause connected with his work shall be disqualified. The disqualification will be for the ensuing period of unemployment and until he has secured subsequent employment covered by an unemployment insurance law of this state or another state and earned 10 times his weekly benefit amount.

A person will be considered to have voluntarily quit when the person accepts a monetary incentive to voluntarily separate from employment under an employer's program to reduce the work force if the monetary incentive is greater than the maximum amount of unemployment benefits the person would be eligible to receive.

Sick or Disabled (Section 50-7-303(a)(1))

A person forced to leave work because he was sick or disabled will be disqualified for benefits while he is unable to work. If an on-the-job injury resulted in the separation, the claimant must be able to work, but not necessarily to perform his usual duties.

The claimant will not be disqualified for benefits once he again becomes available and able for work if he

1. presents competent medical proof that he was forced to leave work;
2. notifies his employer of that fact as soon as it is reasonably practical to do so;
3. returns to his employer and offers himself for work as soon as he is again able to work; and
4. is able to perform his former duties.

Pregnancy (Section 50-7-303(a)(1))

Pregnancy shall be considered as any other sickness or disability (see Sick or Disabled above).

Joining Armed Services (Section 50-7-303(a)(1))

A person who leaves his work in good faith to join the armed forces of the United States will not be disqualified from receiving benefits.

Misconduct (Section 50-7-303(a)(2))

A worker will be disqualified for benefits if the discharge was for misconduct in connection with his work. A misconduct disqualification lasts until the claimant has secured subsequent employment covered by an unemployment insurance law and earned 10 times his weekly benefit amount (WBA).

Courts have used the following definition to determine if misconduct has occurred:

Misconduct is limited to conduct evincing such willful or wanton disregard of an employer's interest as is found to be deliberate violations or disregard of standards of behavior which the employer has the right to expect of his employee, or in carelessness or negligence of such degree or recurrence as to manifest equal culpability, wrongful intent or evil design, or to show an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to his employer. On the other hand mere inefficiency, unsatisfactory conduct, failure in good performance as the result of inability or incapacity, or inadvertency or ordinary negligence in isolated instances or good faith errors in judgment or discretion are not to be deemed "misconduct". [Armstrong v. Neel, 725 S. W. 2d 953, 956 (Tenn. App. 1986.)]

A claimant can be disqualified from benefits for misconduct for a drug or alcohol related separation. Any claimant discharged for failing a drug or alcohol test and/or the Tennessee Drug Free Workplace program will be considered discharged for misconduct, and therefore disqualified for unemployment benefits.

Refusal to Seek or Accept Suitable Work (Section 50-7-303(a)(3))

A claimant who fails without good cause either to apply for available, suitable work or to accept suitable work when offered will be disqualified for benefits. This disqualification lasts until the claimant has secured subsequent employment covered by an unemployment insurance law and earned 10 times his weekly benefit amount (WBA).

Labor Disputes (Section 50-7-303(a)(4))

A worker whose unemployment is due to a strike, which is in active progress, is not entitled to benefits for any week if he is participating in the strike or belongs to the class of workers participating in the strike.

A claimant who was indefinitely separated and eligible for benefits prior to the commencement of a labor dispute may continue to be eligible to receive benefits, even though he belongs to a grade or class of workers participating in the strike, so long as the individual is otherwise eligible and does not participate in the labor dispute.

No claimant will be denied benefits due to a lockout.

Wages in Lieu of Notice (Sections 50-7-303(a)(5)(A) and 50-7-303(b)(2)(A))

A claimant is not entitled to any benefits for any week for which he is receiving wages in lieu of notice. Wages in lieu of notice are payments that are equivalent to the wages the individual would have earned had the individual been permitted to work during the period of notice.

Severance Pay (Section 50-7-303(b)(2)(B))

Severance pay, separation allowances, and similar payments are based, at least in part, on the services the employee performed or on the length of time the employee worked for the employer.

Since these payments are for prior services, claimants can receive unemployment benefits while receiving these types of payments.

Monetary Incentives to Voluntarily Separate from Employment (Section 50-7-303(c)(1))

A person who is offered and accepts a monetary incentive to voluntarily separate from employment under an employer's plan for work force reduction, due to lack of work, will be considered to have voluntarily quit if the monetary incentive is greater than the maximum amount of unemployment benefits the person would be eligible to receive. Such persons will not be eligible for unemployment benefits.

Persons who get monetary incentives less than the maximum amount of benefits they are eligible to receive can still draw benefits when they voluntarily separate from employment under an employer's plan for a work force reduction, due to lack of work. Monetary incentives do not include wages in lieu of notice, separation allowance, severance pay, or similar payments.

Workers' Compensation (Section 50-7-303(a)(5)(B))

A claimant is not entitled to any unemployment benefits for any week for which he is receiving compensation for temporary partial disability under the Workers' Compensation Law.

Benefits from Another State (Section 50-7-303(a)(6))

A claimant is not entitled to any Tennessee unemployment insurance benefits for any week in which he is receiving or seeking unemployment insurance benefits from another state or from the United States.

Vacation Pay (Section 50-7-303(a)(9))

A claimant's weekly benefit payment is reduced or eliminated by the amount of vacation pay received for any week of vacation, vacation shutdown, or temporary layoff. Benefit payments, however, are not reduced or eliminated by vacation pay received for any week of permanent or indefinite layoff.

Retirement, Pensions, Social Security (Section 50-7-303(a)(8))

Retirement and pension pay is not deducted from a claimant's weekly benefit amount (WBA) if the claimant contributed anything to the retirement or pension plan during his base period.

Retirement and pension funds are not deducted from a claimant's WBA if 100% of the funds are rolled over into an IRA.

Retirement or pension pay will be deducted from a claimant's WBA if retirement or pension pay came from a plan with a base period employer who made 100% of the contributions that were paid into the plan during the claimant's base period.

Retirement or pension pay will not be deducted from a claimant's WBA if the retirement or pension pay came from a source other than one of the claimant's base period employers.

Social security payments are not deducted from a claimant's WBA.

Military retirement pay will not be deducted from a claimant's WBA unless the branch of service was a base period employer.

Training (Section 50-7-302(a)(4)(B))

A claimant will not be denied benefits for not being available for work if the claimant is enrolled in a vocational training school or other course of study approved by the Commissioner.

G. I. Bill (Section 50-7-302(a)(4)(E))

A claimant will not be denied benefits for not being available for work if the claimant is a veteran going to school under the G.I. Bill unless the claimant is offered and refuses the same job he held immediately prior to entering school under the G.I. Bill.

School Attendance (Section 50-7-302(a)(4)(D))

A claimant will not be denied benefits for not being available for work if he was attending school while he was employed by his separating employer as long as he is still available for work during the same hours that he had worked prior to his separation. The claimant will be denied benefits if the claimant is offered and refuses the same job he held immediately prior to entering school.

A claimant will be denied benefits for not being available for work if he en-rolled in school after his separation from employment and his primary objective is to obtain an education. This does not apply if the claimant is attending school on the G.I. Bill. (see G.I. Bill above).

Professional Sports (Section 50-7-302(b)(3))

An individual whose services consist of participating in sports or athletic events or training or preparing to participate in sports or athletic events cannot be paid unemployment benefits between two successive sports seasons if this individual performed services in the first season and there is reasonable assurance that the individual will perform the same services in the second season.

Illegal Aliens (Section 50-7-302(b)(4))

An individual who has not been lawfully admitted for permanent residence or who does not otherwise legally reside in the United States is not eligible to receive unemployment benefits.

When an individual files a claim for benefits, he is asked if he is a citizen of the United States. All non-citizens are required to provide documentary evidence that they are authorized to work in the United States before their claim for unemployment benefits are approved. A claimant will be asked to prove citizenship if the claims taker has reason to suspect that the claimant is not a citizen of the United States.

Educational Employees (Section 50-7-302(b)(2))

An individual performing any services for an educational institution, or for a governmental educational service agency, is not eligible to receive benefits between two academic years or terms if the individual performed services in the first academic year or term and there is reasonable assurance that the individual will perform services in the second academic year or term.

An individual employed by an educational institution is not eligible to receive benefits during an established and customary vacation period or holiday recess that has been predetermined as part of a school calendar year.

Profiled Claimants Referred to Reemployment Services (Section 50-7-302(a)(8))

A claimant, identified through the Department's profiling system for referral to reemployment services, will be disqualified from benefits if the claimant is not participating in the reemployment services.

APPEAL RIGHTS (Section 50-7-304; Rules 0560-3-1 through 0560-3-4)

Agency Decision

If an employer does not agree with the decision regarding a former employee's eligibility for unemployment benefits, the employer may appeal that decision. The former employee also has the right to appeal a denial of his claim for benefits. The right of appeal is available to claimants, employers, and the Commissioner.

An appeal will not interrupt benefit payments if the appeal is from an approved agency decision. Benefit payments will be subject to repayment by the claimant if the appeal results in the employer's favor.

Employers who want to appeal a decision should do so at the earliest date possible and should be prepared to present their case on the date designated for the hearing. Hearings will be scheduled as promptly as possible, as delay could increase the amount of overpayments on approved claims which are later reversed. Continuances of hearings will be granted only under the most compelling circumstances.

Appeal to Appeals Tribunal

Once the Department makes the agency decision, any interested party may appeal to the Appeals Tribunal within 15 calendar days after the mailing of the decision.

The notice of appeal must be in writing and may be filed by letter or on the Notice of Appeal Form (LB-0572). Appeals to the Appeals Tribunal may be mailed or faxed to:

Appeals Tribunal
220 French Landing Drive
Nashville, TN 37243-0600
FAX: (615) 741-8933

An Unemployment Hearing Officer presides over an Appeals Tribunal hearing.

Appeals hearings are held by telephone or at a regional location near the local office where the claim was filed. The record made at that hearing is the basis for the subsequent decision.

An Appeals Tribunal's Unemployment Hearing Officer's decision becomes final 15 days from the date issued unless appealed to the Board of Review.

Appeal to Board of Review

NOTE: In the absence of an appeal to the Board of Review, the Unemployment Hearing Officer may, within 30 days after the date of mailing notification, reconsider his decision at which time he will notify the interested parties of his reconsidered decision and the reasons.

A notice of appeal to the Board of Review may be filed either by letter or on the Notice of Appeal Form. Appeals to the Board of Review may be mailed or faxed to:

Board of Review
220 French Landing Drive
Nashville, TN 37243-0700
FAX (615) 741-0290

Appeals to the Board of Review are decided on the basis of the evidence already in the appeals referee record, or the Board may take additional evidence to enable it to reach a decision. It is vital that the employer or his representative appear at each scheduled hearing.

In hearing an appeal on the record, the Board of Review may limit the parties to oral arguments, the filing of written arguments, or both. If the Board of Review needs additional evidence to enable it to reach a decision, the interested parties will be notified. The Board of Review may affirm, modify, or set aside any decision of the Unemployment Hearing Officer. Copies of the decision are mailed to all interested parties.

The decision of the Board of Review becomes final 10 days after the interested parties are notified, in the absence of a Petition to Rehear.

Appeal to Court

Within 30 days after the Board of Review's decision has become final, any aggrieved party may file a Petition for Judicial Review in the Chancery Court of the county where the party resides. If the party resides outside the State of Tennessee, the Petition for Judicial Review may be filed in Davidson County, Tennessee.

Benefit Payments, Overpayments and Charges During Appeals (Section 50-7-304(b)(2))

When a former employee appeals a denied claim, such individual will not receive benefits unless and until the denial is reversed. If the appeal results in the former employee's favor, the former employee will receive all back benefits he would have been eligible to receive had his claim been approved from the date of filing.

When an employer appeals an approved claim, the claimant will continue to receive benefits unless and until the decision has been reversed.

When a benefit eligibility decision is reversed in the employer's favor, an overpayment is established and the employer is not charged for benefits provided:

1. the employer filed the Notice of Claim Filed and Request for Separation Information (LB-0810) on time, and
2. the employer appeared at all scheduled Appeals Tribunal and Board of Review hearings, and
3. the employer is not a reimbursing employer. (see **EMPLOYER ACCOUNTS PROVISIONS, REIMBURSING EMPLOYERS, Benefit Payments and Charges**).

The employer will be charged for his proportion of the benefits paid up until the time of the decision reversal, and the former employee will not be charged for a benefit overpayment in cases where:

1. the employer does not respond on time to the separating employer's Notice of Claim Filed and Request for Separation Information but later appeals the decision and the decision is reversed in the employer's favor, or
2. the employer does not appear at a scheduled Appeals Tribunal or Board of Review hearing but later appeals the decision and the decision is reversed in the employer's favor.

CLAIMS FOR BENEFITS

When the Employer Files The Claim

An employer files a partial unemployment claim for any employee whose hours have been reduced to the point the employee is partially unemployed (see PARTIAL UNEMPLOYMENT). Employers can also file claims for their employees if there is a mass layoff of one to ten weeks (see MASS LAYOFFS).

Tennessee Claims Filed by Residents of Tennessee

Claimants living in Tennessee file their claim for unemployment benefits either by telephone or at their local, [Labor and Workforce Development Benefit Office](#) depending on where they live. Residents in 34 counties can also file their claim over the Internet (see Internet Claims below). For information on where to file a claim, a claimant living in Tennessee can call 1-800-576-3467 or go to their local [Labor and Workforce Development Benefit Office](#)

Tennessee Claims Filed by Residents of Another State

Tennessee claimants living outside of Tennessee can file their claim over the telephone by calling toll-free 1-877-813-0950 or over the Internet (see Internet Claims below).

Internet Claims

Out of state residents and Tennessee residents in 34 counties can file a claim over the Internet.

To file a claim over the Internet, a claimant goes to www.tnanytime.org/labor/

PARTIAL UNEMPLOYMENT (Sections 50-7-211 and 50-7-302(c), Rules 0560-1-1-.03 through 0560-1-1-.14)

Definition (Section 50-7-211, Rule 0560-1-1-.11)

A week of partial unemployment is a week in which an employee, due to lack of work, worked less than his regular full-time hours and earned less than his weekly benefit amount (WBA), but more than his deductible allowance. A claimant's deductible allowance is the greater of \$50 or 25% of the claimant's WBA (see BENEFIT ELIGIBILITY, Deductible Allowance).

When an Employer Must File

An employer must file a partial unemployment claim for an employee immediately after the end of the week in which the employee was partially unemployed. The employer may file the partial claim on a Joint Low Earnings and Claim for Benefits for Partial Unemployment form (LB-0487) or may file the partial claim by computer diskette or modem (see Filing Partial Claims by Computer Diskette or Modem). The Joint Low Earnings and Claim for

Benefits for Partial Unemployment can be obtained from your local [Labor and Workforce Development Office](#) or from our web site: www.tn.gov/labor-wfd/

click FORMS above the Mission Statement

click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS

click JOINT LOW EARNINGS AND CLAIM FOR BENEFITS FOR PARTIAL UNEMPLOYMENT

Joint Low Earnings and Claim for Benefits for Partial Unemployment form (LB-0487)

Employers must make each employee aware that the partial claim has been filed. When the employer files a partial unemployment claim for an employee, the employee does not have to file a claim for benefits.

Employers may also use the partial claims for their employees when the period of total unemployment is for seven consecutive weeks or less.

Joint Low Earnings Report and Claim for Benefits for Partial Unemployment (Section 50-7-211; Rules 0560-1-1-.03 through 0560-1-1-.14)

An employer must file a Joint Low Earnings Report and Claim for Benefits for Partial Unemployment (LB-0487) immediately after the end of any week in which an employee had partial unemployment as defined above. The employer continues to furnish an employee this form immediately following each week the employee's earnings fall below his weekly benefit amount due to lack of work.

The Joint Low Earnings and Claim for Benefits for Partial Unemployment may also be mailed or delivered to the Labor and Workforce Development Local Office either by the employer or the employee. The employee does not have to file a claim for benefits.

This form may also be used for weeks of total unemployment during mass separations with expected durations of seven weeks or less if prior arrangements are made with the Labor and Workforce Development Local Office (see MASS LAYOFFS).

To obtain Joint Low Earnings and Claim for Benefits for Partial Unemployment forms, contact your [Labor and Workforce Development Office](#), call 1-615-253-6122 or access our web site, www.tn.gov/labor-wfd/ and

click FORMS above the Mission Statement

click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS

click JOINT LOW EARNINGS AND CLAIM FOR BENEFITS FOR PARTIAL UNEMPLOYMENT

Joint Low Earnings Report and Claim for Benefits for Partial Unemployment, LB-0487

Filing Partial Claims by Computer Diskette or Modem

Employers may file partial claims by computer diskette or by modem instead of using the Joint Low Earnings and Claim for Benefits for Partial Unemployment paper form.

This method of filing partial claims eliminates the handling of the paper form and speeds up the payment process for the majority of employees whose claims are filed by computer diskette.

Employers are responsible for entering all their data into the system.

Computer diskettes and modems may also be used for reporting weeks of total unemployment during mass separations with expected durations of seven weeks or less (see MASS LAYOFFS).

Employers interested in filing partial claims by computer diskette or by modem should call their Labor and Workforce Development Local Office or call the Automated Partial Claims Coordinator at 615-253-0828.

Timely Filing of Partial Claims (Section 50-7-302(c))

There is a \$50 fine for not filing a partial claim on time.

A partial unemployment claim for a week must be filed within 14 days of the day the employer gave the employee a statement of the employee's earnings for that week.

The employer must continue to file a partial claim for that employee for each week the employee's earnings are less than his unemployment weekly benefit amount because there was a lack of work.

Claims filed for a week of total unemployment must be filed within seven days from the end of the week in which the employment begins (see MASS LAYOFFS).

MASS LAYOFFS (Rule 0560-1-1-.08)

A Mass Separation Notice (LB-0490) may be filed in place of the individual Separation Notice (LB-0489) when 25 or more employees are laid off at the same time due to lack of work. Employers must make prior arrangements with their Labor and Workforce Development Local Office before submitting the Mass Separation Notice.

For extremely large mass layoffs with an expected duration of one to ten weeks, employers can complete the Joint Low Earnings Report and Claim for Benefits for Partial Unemployment (LB-0487) form which is used to submit partial claims following each affected week.

The Joint Low Earnings Report and Claim for Benefits for Partial Unemployment serves as the Separation Notice so the employer does not have to issue individual Separation Notices and serves as the claimant's Initial Claim for Unemployment Compensation so the claimant does not have to report in person to file a claim for benefits.

Employers must file the Joint Low Earnings Report and Claim for Benefits for Partial Unemployment (LB-0487) for a week of total unemployment within seven days from the end of the week in which the unemployment begins. This is to meet the Federal requirement that all benefits for weeks of total unemployment be paid within 14 days from the end of the week in which the unemployment began. If Tennessee does not meet this requirement, the Tennessee Department of Labor and Workforce Development's Division of Employment Security could lose its administrative funds and Tennessee employers could lose their 5.4% offset credit against FUTA (see **EMPLOYER ACCOUNTS PROVISIONS, PREMIUMS AND TAXES** The Federal Unemployment Tax (FUTA)).

There is a \$50 fine for not filing the Joint Low Earnings Report and Claim for Benefits for Partial Unemployment (LB-0487) within the seven days when reporting total unemployment.

The Mass Separation Notice form and the Joint Low Earnings and Claim for Benefits for Partial Unemployment form may be obtained from your [Labor and Workforce Development Office](#). You can also call 1-615-253-6122 or go to our website: www.tn.gov/labor-wfd/ and

click FORMS above the Mission Statement

click UNEMPLOYMENT INSURANCE FORMS – EMPLOYER

click either: MASS SEPARATION NOTICE or

JOINT LOW EARNINGS AND CLAIM FOR BENEFITS FOR PARTIAL UNEMPLOYMENT

If you have questions or need help, call your local Labor and Workforce Development Office for assistance. Local office personnel will offer assistance in making a mass layoff as easy as possible for the employer and the employees.

Mass Separation Notice, LB-0490

INTERSTATE CLAIMS (Rule 0560-1-1-.20)

If an individual earned base period wages in covered employment in Tennessee and becomes unemployed after moving to another state, he may file an interstate claim against Tennessee through a local unemployment insurance claims office in the state of his new residence. Also, if a worker moves to Tennessee after earning base period wages in another state, he may file an interstate claim through a local [Labor and Workforce Development Benefit Office](#) against the other state.

The Tennessee Department of Labor and Workforce Development, Division of Employment Security, follows the usual procedure with respect to protest, appeal, etc., in administering interstate claims. Final determinations are made in the same manner as if the claim had been originally filed in Tennessee.

FRAUD (Sections 50-7-708 through 713)

Penalties Set Forth by Law

Tennessee law provides severe penalties for making a false statement or fraudulent representation or knowingly withholding material information for the purpose of obtaining or increasing unemployment benefits. The offense is a felony and, upon conviction, an individual is subject to a fine or imprisonment from one to three years.

Prevention and Detection

A Benefit Payment Control Unit, with investigators across the state, works full time to investigate fraud cases.

Anyone knowing of or suspecting benefit payment fraud can call or write to report such cases. Tips can be anonymous and all tips are investigated.

Benefit Payment Control
Tennessee Department of Labor and Workforce Development
Division of Employment Security
P. O. Box 24150
Nashville, TN 37202
1-615-741-2606
FAX: 1-615-741-3469
Email: esadmin.fraud@state.tn.us
Website: www.tn.gov/labor-wfd/Claimants/benefitaudit.html

In addition, the regular unemployment insurance procedures contain many safeguards against the payment of fraudulent claims:

1. All wages reported on the Wage Report (LB-0851) and Premium Report (LB-0456) are cross matched with claims paid during the same period. When the cross match shows that an employer paid wages to a claimant during the same quarter in which the claimant received benefits, the employer is sent an Unemployment Insurance Audit (LB-0518) to determine if the claimant worked and earned wages during the same week he received benefits.

The Unemployment Insurance Audit lists the weeks the claimant received benefits. If the claimant worked and earned wages during any of those weeks listed on the audit, the employer fills in the amount of wages earned for each week that applies and returns the audit to the Department. If the claimant worked and received benefits for the same week(s), an overpayment is then established, and the claimant is instructed to repay any benefits he was not entitled to receive. If the audit is part of an investigation resulting from a tip or lead, the employer may receive a request for wage information in the form of a letter rather than an unemployment insurance audit.

Unemployment Insurance Audit, LB-0518

2. The Tennessee New Hire Reporting Program requires employers to report newly hired or re-hired employees. This information is matched on a weekly basis with benefit records to detect overpayments. This method detects overpayments much sooner than the traditional quarterly wage cross match. The prompt reporting of new hire information prevents fraud in the Unemployment Compensation program, protects your Unemployment Reserve Account and keeps your Unemployment Insurance taxes low.

Please contact the address below for instructions on the proper reporting of future new hire information.

Tennessee New Hire Reporting Program
P. O. Box 541150
Omaha, NE 68154-1150
Phone: 1-888-715-2280

FAX (New Hire Reports only): 1-877-505-4761

www.tnnewhire.com

email address: support@tnnewhire.com

3. Tennessee employers provide Separation Notices (LB-0489) to all separated workers, stating reasons for separation and length of employment (see SEPARATION NOTICES). To get a Separation Notice contact our local [Labor and Workforce Development benefit Claims Office](#), call 1-615-253-6122 or go to www.tn.gov/labor-wfd/

click FORMS in the blue band above the Mission Statement

click UNEMPLOYMENT INSURANCE FORMS – EMPLOYERS

click SEPARATION NOTICE

4. If the reason for separation is other than lack of work, the claimant's separating employer receives a Notice of Claim Filed and Request for Separation Information (LB-0810). This notice gives the employer an opportunity to request a predetermination hearing or submit written information.
5. All base period employers are sent an Employer Notice of Claim Filed card (LB-0502) when a former employee files a claim.
6. For each week that an individual files a claim for benefits, the claimant is required to certify that he was unemployed, available for work, and had not refused any suitable work offered. The claimant must also report any wages earned that week on the weekly certification.
7. The Statement of Benefit Charges (LB-0481) is mailed quarterly and notifies the employer of any payments made to a former worker and charged to the employer's account. If the employer has knowledge that a claimant was working or was ineligible for any week for which benefits were paid, he should submit such information to the Department immediately (see CHARGING EMPLOYER FOR BENEFITS, Statement of Benefit Charges).
8. Periodically during a claim series, each claimant is required to have an Eligibility Review Interview to explore his continuing eligibility for benefits.
9. The Benefit Accuracy Measurement Unit (BAM) investigates randomly selected sample claim payments to insure that all benefit payments were proper and to insure that all unemployment insurance laws and policies were followed. Claimants who received the payments and their employers are contacted and all records are verified to determine if there are any errors in the benefit payments and the causes of the errors.

POINTS EMPLOYERS SHOULD REMEMBER REGARDING BENEFIT PROVISIONS

1. Keep accurate records. If a former employee claims he was paid more than he actually was, you need proof of his actual earnings.
2. Send in your completed Tennessee New Hire Report within three days of the new hire or rehire to stop possible unemployment benefit overpayments (see NEW HIRE REPORTING).
3. Document circumstances leading up to and relating to a separation. Furnish each separated employee a Separation Notice (LB-0489) within 24 hours of the separation. This is required by the Rules of the Tennessee Employment Security Law and helps the Department make a more accurate determination of benefit eligibility (see SEPARATION NOTICES).
4. Answer requests for separation information promptly and in detail. Respond to the Notice of Claim Filed and Request for Separation Information (LB-0810) and the Employer Notice of Claim Filed card (LB-0502) by the date specified on the form. Failure to do so could result in unnecessary charges (see CHARGING AN EMPLOYER FOR BENEFITS, Separating Employer's Notice of Claim Filed and Request for Separation Information and see Base Period Employer's Notice of Claim Filed Card).
5. Verify each Statement of Benefit Charges (LB-0481) (see CHARGING OF EMPLOYER FOR BENEFITS Statement of Benefit Charges). The employer and the claimant have the right to appeal any determination of benefits believed to be incorrect within 15 calendar days from mailing date of the notice (see APPEAL

RIGHTS).

6. Attend all Appeals Tribunal hearings and Board of Review hearings with the appropriate witnesses and applicable records. If an employer does not appear at a hearing and later appeals the decision and the decision is reversed in the employer's favor, no overpayment will be established. The employer will be charged with the benefits paid to the claimant up until the decision was reversed.
7. List all job openings with Job Service so that claimants can be referred to these openings (see **JOB SERVICE PROVISIONS**). Instructions for how Job openings may be posted by going to our website: www.tn.gov/labor-wfd/ :
click BUSINESS AND EMPLOYERS on the left
click FIND WORKERS
8. Report all cases of benefit or employer fraud. Tips can be anonymous and all tips are investigated. To report fraud contact:

Benefit Payment Control
Tennessee Department of Labor and Workforce Development
Division of Employment Security
P. O. Box 24150
Nashville, TN 37202
1-615-741-2606

Email address: esadmin.fraud@state.tn.us

Website: www.tn.gov/labor-wfd/Claimants/benefitaudit.html

9. Call the Unemployment Insurance toll-free help-line number if you have questions. The number is available from 9:00 a.m. to 5:30 p.m. Eastern Time and 8:00 a.m. to 4:30 p.m. Central Time. The number is 1-800-344-8337 (call 1-615-741-1315 if out of state).

JOB SERVICE PROVISIONS

WHAT IS JOB SERVICE?

Job Service is the largest employment agency in the country and is here to help employers find qualified job applicants and save both time and money. Services provided by Job Service are free to both employers and individuals seeking employment

A portion of the tax dollars employers pay every quarter under the Federal Unemployment Tax Act (FUTA) goes toward administering Job Service. As a covered employer interested in conserving the Unemployment Compensation Trust Fund, it is to your advantage to list all your job openings with the nearest Labor and Workforce Development Office.

The prompt placement of unemployed, qualified workers in jobs reduces the amount of benefits paid from the Unemployment Compensation Trust Fund and stimulates the economy of your community and state.

Tennessee's Job Service has the largest computer-based job applicant pools in the state. Job seekers listed with the agency have a variety of educational backgrounds and work experience. Some are recent high school graduates looking for their first jobs, while others are experienced professionals holding advanced degrees.

The Department fills over 30,000 job openings a year in a broad range of fields, including professional and technical occupations. Currently over 130,000 individuals a year enter employment following services provided by Job Service staff.

Experienced interviewers use the latest technology to help bring employers and job applicants together, and we customize the services to meet the employer's needs. For example, mass recruitment can be designed to aid individual employers in filling a large number of vacancies. Our services are especially important to the small employer because our systems provide broad recruitment opportunities and save valuable staff time.

Job Service is located in local Labor and Workforce Development Offices and Career Centers throughout Tennessee.

LISTING JOB OPENINGS WITH JOB SERVICE

How to List a Job Opening

Listing a job with Job Service is an easy process with these four steps:

- Call, fax or go to our website and give your complete job description (see Where to List a Job Opening below).
- Job Service staff identifies and interviews qualified applicants and sets up appointments.
- An applicant will bring an introduction card to the appointment. After you interview the applicant, we ask you to complete the card and drop it in the mail to us. This card allows us to know how to serve you even better in the future.
- If you hire the applicant, please fill out the card letting us know you hired the applicant and continue with your own employment process.

Where to List a Job Opening

Employers list job openings by telephone or by FAX at the nearest [Career Centers or Job Service Office](#).

List by phone: Call the nearest [Career Centers or Job Service Office](#) with the description of the job opening. Staff will help you prepare your description to enable us to send precisely the candidates you need.

For the Call Center or Workforce Development Office nearest you, call 1-800-576-3467.

List by FAX: Complete the Job Order Fax Transmittal form on our website, print out a copy and fax it to the Career Center or local Labor and Workforce Development Office nearest the job.

To complete and print a copy of the Job Order Fax Transmittal form from the website, go to www.tn.gov/labor-wfd/

click Business and Employers

click Find Workers

click [Job Order Fax Transmittal form](#)

Completing a Job Order

When completing a job order, the following information is needed:

- name of a contact person and telephone number for the personnel director or person conducting the interview
- job title
- educational requirements
- minimum years of experience required
- list of duties
- days and hours (e.g., Monday through Friday, 8:00 a.m. to 4:30 p.m.)
- whether the job is permanent or temporary

- salary range
- pay periods e.g.: are employees paid weekly, bi-monthly, monthly?
- number of referrals you wish to have
- interviewing instructions; for example, by appointment only or during certain hours

EMPLOYER SERVICES PROVIDED BY JOB SERVICE

Pre-screening Applicants

Job Service staff analyzes job applicants, pre-screen them for you based on your minimum requirements, and refer qualified candidates to you.

Pre-testing of Clerical Personnel

When you need it, Job Service will administer approved tests and report the results to you.

On-Site Screening

Job Service will set up on-site to take applications and perform testing for large plant openings or expansions.

Office Space

In some cases, employers can use Job Service offices to allow you privacy for interviewing prospective employees.

Co-advertising

Employers can use the Job Service name in their recruitment advertising and can arrange for job applicants to report to a Job Service office to fill out application forms and undergo pre-screening interviews and possible testing.

Referral to Training

Some employers work with Job Service to plan for their future employment needs. We refer some job applicants for specific training through the workforce development programs. These programs provide training to build a stronger workforce.

America's Job Bank www.ajb.org/tn

Employers who list job openings with Job Service receive national exposure. Our agency is part of a larger network that links more than 2,000 state employment service offices nationwide and lists an estimated 500,000 job openings daily. [America's Job Bank \(AJB\)](http://www.ajb.org/tn) has approximately 30 million inquiries/hits per year.

Professional Referrals

Our staff can help fill your professional job openings including technical, managerial, and high-level sales occupations.

SERVICES PROVIDED TO PERSONS LOOKING FOR WORK

1. Referral to appropriate jobs or services.
2. Special assistance for veterans and special applicant groups.
3. Employment counseling for applicants needing assistance in selecting, changing or holding a job.
4. Refer applicants for testing to assist them in choosing a career.
5. Information on training programs (both institutional and on-the-job) available to assist applicants in improving

their employability status.

6. Information on support services (vocational, rehabilitation, human services) within the community that can assist applicants with problems Job Service is not designed to solve.

OBLIGATIONS OF EMPLOYERS WITH FEDERAL CONTRACTS

Required to List Job Openings with Job Service

USC Title 38 Section 4212 requires that any employer who enters into contracts with any Department or agency of the United States in the amount of \$100,000 or greater incurs an obligation to list job orders with their local employment service delivery system (Job Service) immediately when employment opportunities are identified. Executive and senior management positions, positions to be filled within the company and positions lasting less than three days are exempt.

USC Title 38 Section 4212 also pertains to subcontractors who enter into contracts with the prime contractor in the amount of \$100,000 or greater.

Veteran Preference

The above-mentioned employers also incur an obligation to employ and advance in employment qualified covered veterans of the Armed Forces of the United States.

“qualified” means, with respect to an employment position, having the ability to perform the essential functions of the position with or without reasonable accommodation for an individual with a disability

“covered veterans” means veterans of the United States Armed Forces who:

- a. are disabled veterans, or
- b. who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized, or
- c. who while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces Service Medal was awarded pursuant to Executive Order No. 12985, or
- d. who are recently separated from the Armed Forces.

A key role of the Department of Labor and Workforce Development is to assist employers with understanding and complying with these federal laws. Most of the Job Service offices have specially trained staff who can explain the federal law and assist employers in complying with the provisions.

For further assistance contact the state Federal Contractor Job Listing Coordinator at 615-741-3780 (FAX 615-741-6106).

RESEARCH AND STATISTICS AND LABOR MARKET INFORMATION PROVISIONS

FREE LABOR MARKET INFORMATION

State and local Labor Market Information (LMI) is available to the public through the Department's Research and Statistics Section. Free Labor Market Information includes:

- affirmative action data
- available labor
- labor force, employment, and unemployment estimates by county
- state and county unemployment rates
- nonagricultural employment estimates

occupational employment projections
wage data
labor supply and demand data
census data
education and training program data

THE SOURCE (www.tn.gov/labor-wfd/source)

The Source is a comprehensive Internet Labor Market System that individuals and businesses use to make informed decisions based on facts about the Tennessee labor market.

If you are interested in working, hiring, locating a new company or expanding a current one anywhere in Tennessee, facts crucial to these decisions are available quickly and easily. Questions this system can answer include:

- What wages do I, as a business, need to offer to hire competitively?
- How much is my industry sector expected to grow in the future?
- Will I be able to find the trained employees I need if I locate in the specific area of Tennessee I am considering?
- What is the general economic situation in the cities and counties I am interested in?

WHERE TO OBTAIN LABOR MARKET INFORMATION

Labor Market Information (LMI) may be obtained at the Research and Statistics Labor Market Information Office in your area (see DIRECTORY on page 2), over the Internet (see [THE SOURCE](http://www.tn.gov/labor-wfd/source) or [LMI](http://www.tn.gov/labor-wfd/lmi.htm)) or by contacting:

Research and Statistics, Labor Market Information
Tennessee Department of Labor and Workforce Development
220 French Landing Drive
Nashville, TN 37243
615-741-2284
FAX 615-532-9434
<http://www.tn.gov/labor-wfd/lmi.htm>

FORMS OF INTEREST TO TENNESSEE EMPLOYERS

Premium Forms

NUMBER	TITLE
LB-0441	Report to Determine Status Application for Employer Number (Information for Completing Status Application)
LB-0443	Report to Determine Status — State and Local Government
LB-0444	Report to Determine Status — Nonprofit Organizations
LB-0447	Transfer of Reserve
LB-0456	Employer's Quarterly Premium Report
LB-0851	Employer's Quarterly Wage Report
LB-0459	Claim for Adjustment or Refund
LB-0460	Delinquent Notice
LB-0603	Employer Statement
LB-0474	First Notice Pending Assessment
LB-0475	Second Notice Pending Assessment
LB-0483	Application for Transfer of Experience Rating Record
LB-0481	Statement of Benefits Charged to Employer's Experience Rating Account
LB-0482	Notice of Employer's Premium Rate and Job Skills Fee
LB-0518	Unemployment Insurance Audit
LB-0564	Employer's Notice of Account Number and Premium Rate
BLS 3020	Multiple Worksite Report

Benefit Forms

LB-0489	Separation Notice
LB-0490	Mass Separation Notice
LB-0486	Initial Claim Form
LB-0487	Joint Low Earnings Report and Claim for Benefits for Partial Unemployment
LB-0502	Employer Notice of Claim Filed Card
LB-0810	Notice of Claim Filed and Request for Separation Information
LB-0511	Notice of Predetermination Factfinding Proceeding
LB-0503	Agency Decision
LB-0569	Notice of Hearing, Board of Review
LB-0894	Request to Withdraw Appeal
LB-0895	Request for Subpoena
LB-0896	Request to Reschedule Hearing
LB-0897	Notice of Appeal

POSTERS REQUIRED TO BE DISPLAYED BY EMPLOYERS

"Your Rights Under the Fair Labor Standards Act"

"Notice: Employee Polygraph Protection Act"

"Your Rights Under the Family and Medical Leave Act of 1993"

U.S. Department of Labor - Wage and Hour Division
1321 Murfreesboro Road, Suite 511
Nashville, TN 37217
Telephone: (615) 781-5343

Your Rights Under USERRA

The Uniformed Services Employment and Reemployment Rights Act

Download from the web: www.dol.gov/vets/programs/userra/poster.pdf

"You Have a Right to a Safe and Healthful Workplace"

Tennessee Department of Labor and Workforce Development
220 French Landing Drive
Nashville, TN 37243-0659
Telephone: (615) 741-2793

"Tennessee Law Prohibits Discrimination in Employment"

Tennessee Human Rights Commission
530 Church Street
Nashville, TN 37243-0745
Telephone: (615) 741-5825

"Unemployment Insurance for Employees"

Tennessee Department of Labor and Workforce Development
220 French Landing Drive
Nashville, TN 37243-1700
Telephone: (615) 532-2354

"Equal Employment Opportunity Is the Law"

Equal Employment Opportunity Commission
50 Vantage Way, Suite 202
Nashville, TN 37228-9940
Telephone: (615) 736-5820

This information is furnished as a service of the Tennessee Department of Labor and Workforce Development, Division of Employment Security. If you need further assistance you may contact our local office nearest you, listed in the blue or white pages of the telephone directory under "Tennessee State Government."

INDEX

- 2% penalty rate, 8-9
- 501(c)(3) nonprofit employer
 - employees of, 16, 17
 - liable as an employer, 10

A

- ABC Test, 16
- Able for Work, 45, 46, 47
- Accident Disability, 26
- Account Number see Employer Account Number
- Account Number, Client of Staff Leasing Company, 13
- ACH (Automated Clearing House) Credit, 36
- Adjustment or Refund, Claim for, 37-38
- Administrator, Definition 4
- Agency Decision, 49
- Agent Driver, 16
- Aggregate Account Number, 13
- Aggregate Reserve Ratio, 14
- Agriculture Employer
 - employees of
 - aliens, 18
 - other, 16
 - Immigration and Nationality Act, 18
 - liable as an employer, 10
- Agriculture Worker
 - alien, 18
 - employee, when considered, 16
 - Immigration and Nationality Act, 18
- Alcohol, 47
- Alien
 - agriculture employee, 18
 - illegal, 49
 - Immigration and Nationality Act, 18
- America's Job Bank, 57
- American Aircraft, Employee of, 16
- American Vessel, Employee of, 16
- Appeals
 - agency decision, 49
 - Appeals Tribunal see also Appeals Tribunal
 - benefit charges, 51
 - benefit overpayments, when decision reversed, 51
 - benefit payments during, will not interrupt, 49
 - Board of Review, 50
 - Chancery Court, appeal to, 50
 - premium rate, 29
 - rights, 49
- Appeals Tribunal
 - address of, 50
 - agency decision, 49
 - appeal to, 50
 - benefit charges
 - decision reversed, when, 51
 - overpayments as a result of, 42, 51
 - when fail to appear, 42, 51
 - continuances, requesting, 49
 - failed to appear before, 42, 51
 - final, when, 50
 - notice of appeal, 50
 - overpayments, when decision reversed, 42, 51
 - premium rate, appeal to 29
 - right to appeal to, 49
 - telephone hearings, 50
 - unemployment hearing officer, 50
- Application
 - aggregate account number, 13
 - client number, 13
 - employer account number, 7
 - transfer of experience, 11-12

- Armed Services see Military
- Assessment
 - definition, 4
 - jeopardy assessments, 39
 - no payroll report, 36
 - premiums, 38
 - Wage and Premium Reports, 31, 38
- Athletes, Professional, 49
- Audits
 - employer, 31
 - benefit fraud, to determine, 54-55
 - refunds, result of, 31
- Automated Clearing House (ACH) Credit, 36
- Available for Work
 - apply for available work, must, 47
 - benefit eligibility requirement, 45
 - disability, 46
 - G.I. Bill, when in school on, 48
 - school, when attending, 48
 - sick, 46
 - training, enrolled in, 48
 - weekly certification of, 55

B

- Back Pay Award, 27
- BAM, Benefit Accuracy Measurement, 39, 55
- Base Period
 - benefits charged employer proportionately, 41
 - definition, 4
 - employer
 - benefit charges, 41
 - definition, base period employer, 4
 - other see Employer, Base Period
 - interstate claims, 54
 - part-time employees, 41
 - wages to qualify for benefits, 45
- Base Period Wages to Qualify for Benefits, 45
- Benefit Accuracy Measurement, 39, 55
- Benefit Charges
 - appeals
 - benefits charged if employer fails to appear, 42
 - benefit charges as a result of, 51
 - overpayment established as a result of, 42, 51
 - avoiding, SUTA dumping, 8
 - base period, 41
 - base period employer, 41
 - benefit overpayments, 42
 - Board of Review, charged when fails to appear, 42
 - experience rating, used in, 28
 - how charged, 41
 - noncharges, 41
 - Notice of Claim Filed and Request for Separating Information, when not timely, 42, 51
 - Notice of Claim Filed Card, Request a Noncharge, 43
 - overpayments, 42
 - part-time employment, 41
 - premium rate, affect on, 28
 - proportionately charged, 41
 - reimbursing employers, 29, 30, 41, 42
 - reserve account, deducted from, 41
 - Statement of Benefit Charges, 43
 - SUTA dumping to avoid, 8
- Benefit Overpayments
 - appeal hearing, employer failed to appear, 51
 - appeals, reversal of, results from, 51
 - audit, as a result of, 54
 - back pay awards, when considered, 27
 - benefits charged to reimbursing employer, 30, 42
 - benefit charges, 42
 - fraud, 54
 - new hire reporting, 55
 - reimbursing employer, 30, 42

Benefit Payment Control Unit, 54
Benefit Week, Definition, 4
Benefit Year
 benefits, maximum paid in, 46
 definition 4
Benefits
 able and available for work, 45, 46, 47
 academic terms, between, 49
 agency decision, 49
 alien, illegal, 49
 armed services, joining, 46
 appeal rights, 49
 athletes, professional, 49
 between academic terms, 49
 charges, 41 and see Benefit Charges
 claims for, 51 and see Claims for Benefits
 cross matched with wages to determine fraud, 54
 deductible allowance, 46
 definition 4
 disabled, 46
 disqualifications, 46
 duration of, 46
 educational employees, 49
 eligibility requirements, 45
 G.I. Bill, 48
 illegal alien, 49
 IRA, 48
 maximum benefit amount, 46
 misconduct
 benefit disqualification, 45, 47
 benefits noncharged, 41
 definition, 47
 explanation of , 47
 monetary eligibility, 45
 monetary incentive to quit work, 47
 no fault of own separation, 45
 overpayments, see Benefit Overpayments
 partial claims, 52
 pensions, 48
 pregnancy, 46
 professional sports, 49
 profiled claimants, 49
 reemployment services, referred by, 49
 reimbursing employers, employees of, 30
 retirement pay, 48
 school attendance, 48
 severance pay, 47
 sickness, 45
 Social Security, not deducted from, 48
 sports, professional, 49
 State, Other
 benefits from, 48
 claims against Tennessee by out of state residents, 51
 interstate claims, 51, 54
 suitable work, refusal to accept or seek, 47
 teachers, 49
 training, 48
 vacation pay, 48
 wages, sufficient required for eligibility, 45
 wages in lieu of notice, 47
 WBA, 45
 week, benefit, definition, 4
 weekly benefit amount, 45
 weekly certification for, 55
 work, refusal to seek or accept suitable, 47
 Workers' Compensation, 48
 voluntarily quit, 45, 46, 47
 year, benefit, definition, 4
Board, (Meals), 26
Board of Review
 address of, 50
 appeal to, 50
 appeal from to a court, 50
 benefit charges, when decision reversed, 51
 benefit payments during, 49
 Chancery Court, 50
 final, when, 50
 overpayment, when decision reversed, 51
Boats
 American, employee of, 16
 fishing, 17
 foreign, employee of, 17
Bonuses
 record of, required to keep, 31
 wages, as, 26
Business or Trade, definition 11

C

Cafeteria Plans, as wages, 27
Calendar Quarter
 definition 4
 earnings requirement for benefits, 45
 wages, reported in quarter paid, 32, 40
Calendar Week, definition 4
Camp, organized, student employed, 17
Cash Refunds, 37
Chancery Court, Appeal to, 50
Change in Ownership
 illegal, when, see SUTA Dumping
 notification of required, 10
 successor see Successor
 transfer of experience see Transfer of Experience
Charges, Benefit see Benefit Charges
Charitable Organization, 16
Charter of Corporation Revoked, 39
Child
 common ownership, mandatory transfer, 11
 employed by or employer of parent, 17
 parent in employ of, 17
Church, Employees of Not Covered, 17
Citizenship, Proof of, 49
Claim for Adjustment or Refund
 explanation, 37-38
 form to copy or to use, 83
Claim for Benefits
 benefit office, when filed at, 51
 employer files, when, 51, 52
 internet claims, 51
 interstate claims, 51, 54
 Joint Law Earnings Report and Claim for Benefits for
 Partial Unemployment
 form to copy or to use, 97
 when files, 52
 mass layoffs, 52, 53
 Notice of Claim Filed, Request for Separation Information
 benefits charged when do not respond, 42, 51
 explanation, 42
 sample form, 87
 out of state, when claimant lives, 51
 partial unemployment claims, 52
 state other, claimant resident of, 51
 telephone claims, 51
 Tennessee residents, 51
 where to file, 51
Claimant
 base period
 benefits charged employer, 41
 benefits based on wages in, 45
 Statement of Benefit Charges, 43
 benefits, eligibility for, see Benefits
 claim for benefits see Claim for Benefits
 definition, 4
 interstate claims, 51, 54
 profiled, 49
 state, another, living in, 51

- Client, Staff Leasing Company
 - Client Account Number 13
 - definition, 4
 - joint and several liability, 15
 - other see Staff Leasing Company
 - successor, 13
 - Wage and Premium Reports, 13
- Client Account Number, 13
- Clothing, 26
- Collections, 38- 39
- College
 - benefits while attending, 48-49
 - club, fraternity, sorority, domestics employed by, 17
 - G.I. Bill, 48
 - spouse of student, employed by, 17
 - student, employed by, 17
- Commissioner, Definition, 4
- Commissions
 - direct sellers, 17
 - drivers, 16
 - fishing boats, 17
 - insurance salesman, 17
 - laundry/dry cleaning truck drivers, 16
 - newspaper distributors, 18
 - real estate agents, 17
 - traveling salesmen, 16
 - wages, defined as, 25
- Common Law Rules
 - employee, if meet, 16
 - list of, 15
- Common Ownership, Management or Control, 11
- Common Paymaster 12
- Computation Date, Definition, 4
- Concurrent Employment, 12
- Contracts, Federal, Obligation of Employers With, 59
- Contractors
 - ABC test, 16
 - common law factors, 15
 - independent, 15
 - federal contracts, 59
 - right to control, 15
- Contributions see Premiums
- Co-op Programs (school credit for working), 17
- Corporate Charter Revoked, 39
- Corporations
 - charter revoked, 39
 - common paymaster, 12
 - injunction against, 39
 - officers of are employees, 16
- Correcting Wage and Premium Reports, 37
- Counseling, 59
- Court, Appeal to, 50
- Credit to Account, 36, 37, 38
- Crossmatch, Benefits/Wages, 54

D

- Debit, 36, 37, 38
- Deductible Allowance
 - explanation, 46
 - partial unemployment, definition of, used in 52
- Deferred Compensation, as wages, 26
- Definitions
 - common ownership, management or control, 11
 - common paymaster 12
 - concurrent employment, 12
 - contributions see Premiums
 - covered veterans, 60
 - deductible allowance 46
 - list of definitions, 4-6
 - misconduct, 47
 - other , 4-6
 - partial unemployment, week of, 52

- payroll parking, 8
- relative, 11
- successor, 5, 10
- SUTA Dumping, 5, 7
- tax, federal see FUTA
- tax, state see Premiums
- trade or business, 11
- veterans, covered, 60
- veterans, qualified, 59
- week of partial unemployment, 59
- Department, Definition, 4
- Direct Sellers, 17
- Directory 2
- Disabled, Benefit Disqualification, 46
- Disability Pay, 26
- Disqualification for Benefits, 46
- Division, definition, 4
- Domestic employer
 - college clubs, 17
 - employee coverage, 17
 - liable as an employer, 10
- Duration of Benefits, 46
- Drawing Accounts, 25
- Drug Free Workplace, 47
- Drugs, 47

E

- Education Service Agency, Governmental, 49
- Educational Employees
 - between terms, 49
 - spouse of student when employed by school, 17
 - student employed by school, 17
 - vacation, school, educational employees, 49
- Elected Official, 17
- Election
 - reimbursing employer, elect to be, 19, 29
 - state, when employer can elect which to report to, 19
- Election Worker, 18
- Electronic Filing
 - 250 or more employees, mandatory, 35
 - ACH Credit (Automatic Clearing House), 36
 - claims for benefits
 - benefit claims over the internet, 51
 - internet claims, 51
 - partial claims filed by employer, 53
 - mandatory with 250 or more employees, 35
 - partial unemployment claims, 53
 - payment of premiums (ACH), 36
 - penalty for failing to file with 250 or more employees, 35, 38
 - Premium Reports (TNPAWS) 35
 - TNPAWS, Wage and Premium Reports, 35
 - Wage Reports, 35
- Eligibility for Benefits Requirements, 45
- Emergency Employment, natural Disaster, 18
- Employee Leasing see Staff Leasing Company
- Employee/Employer Relationship, 15
- Employees
 - 501(c)(3) nonprofit employees, 16, 17
 - agriculture workers, 16
 - ABC test 16
 - agent drivers, 16
 - aircraft, American, 16
 - alien, 18
 - American aircraft, 16
 - American vessels, 16
 - Association of Churches, 17
 - camp, organized, full-time student employed by, 17
 - charity, employee of, 16, 17
 - church, 17
 - child of owner, 17

- college
 - domestic worker by club/ fraternity, 17
 - student employed by school, 17
-spouse of student when employed by school, 17
- commission drivers and salesmen, 16, 17
- common law factors, 15, 16
- contractors, 15
- corporation, officer of, 16
- direct sellers, 17
- domestic workers, 17
- educational employees, benefit eligibility, 49
- elected official, 17
- election worker, 18
- exclusions, 17
- finding, 57 see also Job Service
- fishing boats, 17
- foreign vessels, work on, 17
- FUTA, employees covered under, 16
- government employees
 - advisory position, 17
 - appointed official, 17
 - elected officials, 17
 - employees, 16
 - national disaster, temporary worker, 18
 - National Guard, 17
 - Nontenured policy making position, 17
- inclusions, 16
- inmate of custodial institution, 17
- insurance agent, 17
- laundry truck drivers, 16
- limited liability company, owner of, 18
- National Guard, 17
- national disaster, temporary worker of government, 18
- newspaper distributors, 18
- nonprofit, workers for 17
- officer of a corporation, 16
- out of state employees, 18
- omitted on Wage Report, correcting, 37
- parent, in employ of child, 17
- prison, inmate of, 17
- product demonstrator, 18
- railroad, 17
- real estate agent, 17
- records of, 30-31
- religious organization
 - employees of, when covered, 16
 - employees of, when not covered, 17
- right to control, 15
- salesman
 - city, 16
 - insurance, 17
 - real estate, 17
 - traveling, 16
- school, educational employees of, 49
- spouse
 - in employ of , 17
 - of student when employed by school, 17
- state, having employees in another, 18
- student
 - camp, in employ of, 17
 - employed by school, 17
 - school credit for work, 17
 - spouse of student when employed by school, 17
- subcontractors, 15
- traveling salesman, 16
- vessels
 - American, 16
 - foreign, 17
- who are employees, 15

Employer

- 20 weeks of employment liable as, 9
- \$1,500 payroll, liable as, 9
- agriculture employer, when liable, 10
- audits, 31
- base period employer see Employer, Base Period
- benefit charges see Benefit Charges
- change of ownership, notification required, 10
- charges, benefits see Benefit Charges
- claim for partial benefits, when must file 51, 52
- definition, 4
- inactive account, 12
- injunction against, 39
- liability of see Employer, Liability of
- liens against, 39
- nonprofit see Nonprofit Employer
- ownership, change of, notification required, 10
- predecessor employers see Successor
- reimbursing see Reimbursing Employer
- staff leasing company see Staff Leasing Company
- successor employers see Successor
- termination of account, 12

Employer Account Number

- applying for, 7
- client of staff leasing company, 13
- correspondence, must be on, 4, 7, 38
- definition, 4

Report to Determine Status

- applying for an account number, 7
- business, type of, must be reported on, 23
- client of a staff leasing company, 13
- explanation of, 7
- form to use or copy, 75
- industry grouping, information required, 23
- staff leasing company, 13
- taxable wage base, 32
- where to obtain, 7

Employer Accounts Auditor

- audits employer records, 31
- application for review and redetermination of audit, 31
- definition, 4
- identification, always ask for, 31

Employer Accounts Offices

- definition, 5
- directory 2

Employer, Base Period

- benefit charges
 - charged to, 41
 - noncharges, 41
 - overpayments, 42
 - part time employees, 41
 - reimbursing employers, 41
- benefit overpayments, charges for, 42
- benefits charged proportionately, 41
- definition, 4, 43
- interested party, 5
- noncharges, 41
- Notice of Claim Filed Card, 43
- part-time employees, 41
- reimbursing employers, 41, 43
- retirement pay, when comes from, 48
- separating employer, when also, 5, 43
- Statement of Benefit Charged to Employer's Experience Rating
 - Account,
 - explanation of, 43
 - fraud, used to deter, 55
 - sample form, 91

Employer, Liability of

- 20 weeks of employment liable as, 9
- \$1,500 payroll, liable as, 9
- agriculture employer, 10
- benefit charges, see Benefit Charges
- client of a staff leasing company, 15
- date of liability, 9
- domestic employer, 10
- governmental employer, 10
- inactive account, 12

- nonprofit, 10
- state, employees in another, 18, 19
- staff leasing company, 13
- successor, liable if a, 10
- termination of liability, 12
- who is liable, 9, 18
- Employment
 - employees, see Employees
 - exclusions, 17
 - inclusions, 16
 - monthly employment reporting, 29, 32
- Enforcement, 38
- Experience Rating
 - client of a staff leasing company, 14
 - computation of, 28
 - definition, 5, 28
 - formula for, 28
 - new employer rate, 23
 - premium rates based on, 28
 - purpose of experience rating, 28
 - reserve ratio, 28
 - staff leasing company, 14
 - successors, 10
 - transfers of experience see Transfer of Experience
 - Trust Fund balance, 28
 - when qualifies for experience rating, 28
- Extended Benefits, 5

F

- Federal Contractor Job Listing Coordinator, 60
- Federal Contracts, Employers With, 59
- Federal Law
 - Federal Contractor Job Listing Coordinator, 60
 - Job Service, Required to List Jobs With, 59
 - SUTA Dumping Prevention Act of 2004, 7
 - Unemployment see FUTA
- Federal Unemployment Tax Act see FUTA
- Fees
 - Tennessee Job Skills Fee, 25
 - wages, as, 25
- Felony, benefits, false statements to receive, 54
- Fine see Penalties
- Fishing Boats, 17
- Food, 26
- Forms of Interest, List of, 62
- Fraud
 - audits to determine
 - benefit fraud, 54-55
 - employer fraud, 31
 - Benefit Accuracy Measurement (BAM), 39, 55
 - Benefit Payment Control, 54
 - benefit fraud
 - cross match benefits/ wages, 54
 - detection of, 54
 - false statements to receive or deny, 54
 - new hire reporting, 44, 55
 - prevention of, 54
 - safeguards against, 54-55
 - employer see SUTA Dumping
 - premium rates, to avoid higher see SUTA Dumping website, 54
- FUTA
 - definition, 5
 - employee under state law if employee under, 16
 - employer liable to state if liable to, 10
 - explanation of, 20
 - liable to state if liable under, 10
 - offset credit, 20
 - tax rate 6.2%, 20
 - taxable wage base 20

G

- G.I. Bill, 48
- Gifts
 - record of, required to keep, 31
 - wages, as, 26
- Government
 - advisory position, 17
 - appointed official, 17
 - coverage of employees, 16
 - elected official, 18
 - election worker, 18
 - employees covered, 16
 - employer, liable as, 10
 - experience rating, 28
 - national disaster, employees for not covered, 18
 - National Guard, 17
 - new employer rate, 23
 - nontenured policy making position, 17
 - Premium Rate Chart, 22
 - reimbursing employer, when is see Reimbursing Employer

H

- Hard of Hearing, TDD Line see inside back cover
- Help-line Toll-Free Number, 6
- Hire Date, 31
- Hospital Expenses, 26
- Hours worked, records of, 30

I

- Illegal Alien, 49
- Inactive Accounts 12
- Independent Contractor see Contractor
- Industry Groupings
 - information required on Report to Determine Status, 23
 - NAICS, North American Industry Classification System
 - computation, 23
 - list, 24
 - Report to Determine Status, information required on, 23
 - SIC, Standard Industrial Classification System, 23
- Industry Information, required on Report to Determine Status, 23
- Industry Rates, new employer, 23-25
- Injunction against doing business, 39
- Inmate of a Penal Institution, 17
- Insurance Agent, 17
- Interest Charges
 - premiums
 - late payment of, 38
 - state, other, when paid to, 38
 - Tennessee Job Skills Fee, interest on late, 25
- Interested Parties, Definition, 5
- Internet
 - benefits, claims for, 51
 - Wage Reports (TNPAWS), 35
 - website, see Foreword
- Interstate Claim, 51, 54
- Introduction, 1
- IRA, 48

J

- Jeopardy Assessments, 39
- Job Openings
 - completing a job listing, 58
 - Federal Contractor Job Listing Coordinator, 60
 - how to list openings with Job Service, 57
 - required to list with Job Service, 59
- Job Referral Services, 59

Job Service
 advertising, 59
 America's Job Bank, 59
 clerical personnel, prescreening, 58
 counseling, 59
 explanation of, 57
 Federal Contractor Job Listing Coordinator, 60
 job listings (job orders)
 completing, 58
 how to list job openings, 57
 required, when by federal law, 59
 Federal Contractor Job Listing Coordinator, 60
 job referral, 59
 office space available for interviews, 58
 on-site screening, 58
 prescreening applicants, 58
 professional referrals, 59
 profiled claimants, 49
 reemployment services, 49
 referral services, 59
 services, 58
 training, 59
 veteran's preference, 59
 Job Skills Fee, 25
 Joint Low Earnings Claim for Benefits for Partial
 Unemployment
 explanation, 52
 form to use or to copy, 97
 mass separations, used for, 52

L

Labor and Workforce Development Office, Definition, 5
 Labor Market Information (LMI)
 explanation of, 60
 offices, (Research and Statistics) directory, 2
 Labor Strike, 45, 47
 Lack of Work Separations see Layoff
 Laundry Truck Drivers, 16
 Law, Other States, 19
 Law, Punishments for Violation of
 2% SUTA Dumping Penalty, 8
 assessments of premiums, 38
 civil penalty, \$50,000, 9
 Class A misdemeanor, SUTA Dumping, 8
 corporate charters revoked, 39
 fine, SUTA Dumping, 8
 injunctions, 39
 interest on late reports, 39
 liens, 39
 limited liability companies dissolved, 39
 interest charges, 38
 misdemeanor, SUTA Dumping, 8
 penalty for late reports, 38
 SUTA Dumping, 8
 Layoff
 mass layoff
 employer can file claim, 51
 explanation of, 53
 Mass Separation Notice, 44, 53
 monetary incentive to Quit Work, 47
 partial unemployment, 52
 Separation Notice, 43
 vacation pay, 48
 Leasing Company see Staff Leasing Company
 Liability for Premiums see Employer, Liability of
 Limited Liability Company
 dissolving, Commissioner has power to 39
 owner of not employee, 18
 partner of not employee, 18
 Liens, against employer, 39

LMI, Labor Market Information
 explanation of, 60
 offices, (Research and Statistics) directory, 2
 Lockout, 47
 Lodging, as wages, 26

M

Magnetic Media Reporting see Electronic Filing
 Mass Layoff
 claims, employer file, 51, 53
 explanation of, 53
 Joint Low Earnings Report and Claim for Benefits for
 Partial Unemployment
 fine for not filing timely, 53
 form to use or to copy, 97
 used to report mass separations, 53
 Mass Separation Notice see Mass Separation Notice
 Mass Separation Notice
 explanation, 43, 52
 form to use or to copy, 95
 Maximum Benefit Amount, 46
 Meals, as wages, 26
 Medical Expenses, 26
 Mergers 10
 Military
 G.I. Bill, 48
 joining, 46
 National Guard, 17
 retirement pay, 48
 veteran preference, 59
 Misconduct
 alcohol, 47
 definition, 47
 benefits, ineligible for, 45
 Drug Free Workplace, 47
 employer noncharged for benefits, 41
 Misdemeanor
 Premium Rate, manipulating, 8
 SUTA Dumping, 8
 Monetary Eligibility for Benefits, 45
 Monetary Incentives for Voluntary Separations, 47
 Monthly Employment Reporting, 29, 32
 Multiple Worksite Report
 explanation, 39
 sample form, 85

N

NAICS, new employer rates based on, 23-25
 National Disaster, Temporary Gov. Worker, 18
 National Guard, 17
 New Employer
 aggregate account, staff leasing company, 13
 industry groupings, rate based on, 23, 24
 premiums, used illegally to reduce, 8
 rate, determination of, 23
 staff leasing company, 13
 SUTA Dumping, used to reduce premiums, 8
 New Hire Report, 44, 55
 Newspaper Distributors, 18
 No Payroll Reports
 inactive accounts, 12
 penalty charges for failure to file, 36, 38
 required to file, 36
 Noncharge of Benefits
 benefit overpayments, 42
 explanation, 41
 misconduct, 41
 other see Benefit Charges
 part-time employees, 41
 reimbursing employers not eligible for, 30, 42

- reserve account, 42
- voluntary quit, 41
- Nonprofit Employer
 - 501(c)(3) nonprofit employer
 - employees of, 16, 17
 - liable as an employer, 10
 - liable as an employer, 10
 - employees of, 16, 17
 - reimbursing, when elect to, 29-30
- Notice of Appeal, 50
- Notice of Claim Filed, Request for Separation Information
 - benefits charged when do not respond, 42, 51
 - explanation, 42
 - sample form, 87
- Notice of Claim Filed Card, Base Period Employer
 - explanation, 43
 - sample card, 89
- Notice of Employer's Premium Rate, 29
- Notices
 - List of posters required, 63
 - posting of, 40

O

- Officer of a Corporation, 16
- Offset FUTA Credit, 20
- On the Job Injury
 - unemployment benefit, when can receive, 46
 - Worker's Compensation, 48
- Overpayments, Benefits see Benefit Overpayments
- Overpayments, Premiums, 36-37

P

- Parent
 - child employed by, 17
 - common ownership, mandatory transfer, 10
 - employed by child, 17
- Part-time Employees, when benefits noncharged, 41
- Partial Claim
 - computer disk, filing by, 53
 - definition, 5, 52
 - electronically, filing, 53
 - employer files, 51, 52
 - fine for not filing timely, 53
 - Joint Low Earnings Claim for Benefits for Partial Unemployment, 52
 - modem, filing by, 53
 - timely filing of, 53
 - when files, 51
 - penalty for not filing timely, 53
- Partial Unemployment
 - claim for benefits see Partial Claim
 - week of, definition, 52
- Payroll Parking, 8
- Penal Institution, Inmate of, 17
- Penalties
 - 2% Penalty Rate, SUTA dumping, 8-9
 - benefit claims, false statements to receive or deny, 54
 - electronic wage reporting, failure to when required, 35, 38
 - Joint Low Earnings Report and Claim for Benefits for Partial Unemployment, fail to file, 53
 - layoffs, mass, fine for not reporting, 53
 - magnetic media wage reporting, failure to when required, 35
 - mass layoff, fine for not reporting, 53
 - no payroll report, if fail to file, 36
 - partial claims, 53
 - premium rate, manipulating, 8
 - SUTA Dumping penalty, 8-9
 - Wage and Premium Reports, when late, 38
- Pensions, Not Deducted From Benefits, 48
- Petition of Judiciary Review, 50

- Points Employers Should Remember
 - benefit provisions, 56
 - employer accounts provisions, 40
- Political Subdivisions, 10
- Posters
 - list of those required, 63
 - posting of notices, 40
- Posting of Notices, 40
- Predecessor
 - definition, 5
 - other see Successor
- Pregnancy, Benefit Disqualification, 46
- Premium Rate Chart, Governmental, 22
- Premium Rate Chart, Nongovernmental, 21
- Premium Rate
 - appealing, 29
 - avoiding higher rates, illegal see SUTA Dumping
 - benefit charges, effect on, 28
 - computation of
 - new employer, 23
 - other, 28
 - experience rating, 28
 - fraud to avoid higher see SUTA Dumping
 - new employer, 23-25
 - Notice of Employer Premium Rate, 29
 - penalties for avoiding see SUTA Dumping
 - Premium Rate Chart
 - governmental, 22
 - nongovernmental, 21
 - premiums paid, used to determine, 28
 - qualifying for based on experience, 28
 - reserve ratio, explanation of, 28
 - taxable wages, used to determine, 28
 - Trust Fund balance, determines, 28
- Premium Report
 - assessments for premiums, late report, 38-39
 - audits of, 31
 - Claim for Adjustment or Refund, 37-38
 - correcting reports, 37
 - credit balance shown on, 36
 - debit balance shown on, 36
 - due date, 31
 - electronic filing of Premium Report
 - how to, 35
 - mandatory wage reporting , if 250 employees, 35, 38
 - TNPAWS, Internet filing, 35
 - electronic payment of premiums (ACH), 36
 - extension of time to file and pay, 36
 - failed to receive, still liable for, 32
 - filing of, 31
 - forms
 - how to request, 32
 - sample form, 81
 - inactive account, 12
 - Internet filing of report (TNPAWS), 35
 - late report, assessments for premiums, 38-39
 - mailing of, 31
 - monthly employment reporting, 29, 32
 - penalty on late reports, 38
 - reimbursing employers, 29
 - staff leasing company, 13
 - supplemental report, 37-38
 - TNPAWS, internet filing of report, 35
 - underpayments shown on, 36
- Premiums
 - ACH (Automated Clearing House) payments of, 36
 - assessments for
 - jeopardy assessment, 39
 - late wage reports, 38
 - collections, of
 - charters, revoking, 39
 - injunction, 39
 - interest, 38

- lien, 39
- penalties, 38
- credits, 36
- definition, 5
- due date, 20
- election to change to/from reimbursing, 20, 29
- electronic paying of, 36
- explanation of, 20
- extension of time to pay, 36
- interest on late premiums, 38
- liability for see Employer, Liability of
- new employer, 23-25
- overpayments, 36
- payment of
 - electronic (ACH credit), 36
 - check, 20, 31,
 - TNPAWS, if filed by, 35
- Premium Rate Chart
 - governmental, 22
 - nongovernmental, 21
- rates see Premium Rates
- refunds of premiums
 - applying for, 37
 - audit, result of, 31
- reimbursement option, see Reimbursing Employers, 20
- reports see Premium Reports
- state, when paid to another in error, 19, 20, 38
- taxable wage base, 20
- underpayments, 36
- wages paid on, 25-27
- Prison, Inmate of, 17
- Prizes, Records of, 31
- Product Demonstrator, 18
- Professional Employer Organization (PEO), SUTA dumping, 8
- Professional Sports, 49
- Profiled Claimants, 49
- Protest, Definition, 5

Q

- Quality Control (Benefit Accuracy Measurement), 39, 55
- Quarter see Calendar Quarter

R

- Railroad Employment, 17
- Rate
 - FUTA, Federal Unemployment Tax, 20
 - interest on late premiums, 38
 - Premium Rate Tables 21-22
 - SUTA 2% penalty rate, 8-9
 - Tennessee Job Skills Fee, 25
 - Unemployment Tax see Premium Rates
- Real Estate Agent, 17
- Records
 - audits of, 31
 - required to keep, 30
 - staff leasing company required to keep, 32
- Reemployment Services, Profiled Claimants, 49
- Referral Services, 59
- Refunds
 - applying for, 37
 - audit, result of, 31
 - cash, when issued, 37
 - Claim for Adjustment or Refund, 37-38
 - state, when paid to wrong, 19, 20, 38
- Refusal of Job Offer, 47
- Refusal of Work, 47
- Reimbursing Employer
 - base period employer, 41, 43
 - benefits, employees eligible to same extent, 30

- benefit charges
 - appeals, overpayments resulting from charged, 51
 - charged proportionately, 30
 - noncharge, not eligible for, 30, 42
 - overpayments charged to, 42, 51
 - reimburse dollar for dollar, 30
- benefit overpayments
 - appeals, overpayments resulting from charged, 51
 - charged to, 42
 - definition, 29
 - election to change to/from reimbursing, 20, 29
 - employees of, benefit eligibility, 30
 - Employer Notice of Claim Filed Card, 43
 - FUTA tax, not liable for, 20
 - monthly employment, required to report, 29, 32
 - noncharges, not eligible for, 30, 42
 - option to be, 20, 29
 - reimburse dollar for dollar, 30
 - Wage Report, must complete, 29
- Relative
 - common ownership, transfer of experience, 11
 - definition, 11
 - employed by or in the employ of, 17
- Religious Organization
 - employees of, when covered, 16
 - employees of, when not covered, 17
- Rent, 26
- Report to Determine Status
 - applying for an account number, 7
 - client of a staff leasing company, 13
 - explanation of, 7
 - form to use or copy, 75
 - industry grouping, information required, 23
 - staff leasing company, 13
 - taxable wage base, 32
 - where to obtain, 7
- Reports
 - Multiple Worksite Report, 39
 - New Hire, 44
 - Premium Report see Premium Report
 - Report to Determine Status see Report to Determine Status
 - Wage Report see Wage Report
- Research and Statistics
 - Directory 2
 - industry, reporting information to, 23
 - information available, 60
 - Labor Market Information (LMI), 60
 - monthly reporting on Wage Report, used by, 32
 - Multiple Worksite Report, 39
 - SOURCE, 60
 - where to get information, 61
- Reserve Ratio
 - aggregate reserve ratio, staff leasing companies, 14
 - computation of
 - experience rated employers, 28
 - new employer rates, 23
 - staff leasing company, 14
 - definition, 5
 - experience rating, 28
 - how computed, 28
 - industry groupings, 23
 - new employer rate
 - determining, used in, 23
 - staff leasing company, 14
 - premium rate based on, 28
 - Premium Rate Charts, 21, 22
 - staff leasing companies, 14
- Retirement Pay, 48

S

- Salesman
 - agent drivers, 16

- city, 16
- commission drivers, 16
- insurance, 17
- newspaper, 18
- real estate, 17
- traveling, 16
- School
 - attendance, benefit eligibility while in, 48
 - credit for work, 17
 - educational employees, benefit eligibility, 49
 - G.I. Bill, 48
 - spouse of student, employed by, 17
 - student, employment by, 17
 - student, school credit for work, 17
 - teachers, benefit eligibility, 49
- Separating Employer, definition, 5
- Separating Employer's Notice of Claim Filed and Request for Separation Information
 - charged with benefits when not submitted timely, 42, 51
 - explanation of, 42
 - sample form, 87
- Separation, Mass
 - explanation, 44, 53
 - form to copy or to use, 95
- Separation Notice
 - definition, 5
 - explanation, 43
 - form, to copy or to use, 93
 - fraud, used to prevent, 55
 - Mass Separation Notice
 - explanation, 44, 53
 - form to copy or to use, 95
- Severance Pay
 - benefits, not deducted from, 47
 - wages, considered for premium purposes 26
- Shell Companies, 8
- Sick Pay, 26
- Sickness, Benefit Disqualification, 46
- Social Security, Not Deducted From Benefits, 48
- Social Security Number
 - correcting, 37
 - omission of, correcting, 37
 - record of, required to keep, 31
 - required see inside back cover
 - Wage Report
 - omission of, correcting, 37
 - required on, 32
- Sole Proprietor, 17
- SOURCE, 60
- Sports, Professional, 49
- Spouse
 - common ownership, transfer of experience, 11
 - employed by or in employ of, 17
 - student, spouse of when employed by school, 17
- Staff Leasing Company
 - aggregate account number
 - application for, how to obtain, 7, 13
 - required to have, 13
 - aggregate reserve ratio, 14
 - client number
 - application for, how to obtain, 7, 13
 - information required, 13
 - records, must keep separate for, 32
 - client of
 - definition, 4
 - joint and several liability with staff leasing company, 15
 - successor employer, when, 13
 - definition, 5
 - experience rating, 14
 - joint and several liability with client, 15
 - new employer rate, 14
 - notifying Department of changes required, 13
 - records, required to keep, 32
 - reserve ratio, aggregate, 14
 - successor 10, 13
 - SUTA Dumping Laws, subject to, 14
 - transfer of experience, 10, 13
- State, Other
 - benefits from, 48
 - claims against Tennessee by out of state residents, 51
 - correcting reports when reported to wrong state, 37-38
 - election of coverage, 19
 - interstate claim, 51, 54
 - laws and procedures, 19
 - liable to, which state, 18, 19
 - Premium Reports, correcting, 37
 - premiums paid in error to, 19, 20, 38
 - refunds, when paid to wrong state, 19, 20, 38
 - taxes, when paid to another in error, 19, 20, 38
 - taxable wages when reported to more than one state, 19
 - things to know, 19
 - which state is liable state, 18
 - tests to determine, 18
 - contact for questions, 18, 19
- State Taxes see Premiums
- Statement of Benefit Charged to Employer's Experience Rating Account
 - explanation, 43
 - fraud, used to deter, 55
 - sample statement, 91
- Status Report, (Account Number) see Report to Determine Status
- Strike, Labor, 45, 47
- Student
 - benefits, eligibility for, 48
 - camp, working for, 17
 - co-op program, 17
 - G. I. Bill, 48
 - school credit for work, 17
 - spouse of student when employed by school, 17
 - student employed by school, 17
- Sub-contractor see Contractor
- Successor
 - ...change of ownership notification 10
 - definition, 5, 10
 - employer, liable as, 10
 - illegal transfers see SUTA Dumping
 - liabilities of the predecessor, liable for, 10
 - mandatory transfer of experience 10
 - manipulating premium rate, used to see SUTA Dumping
 - notification of change of ownership required, 10
 - staff leasing companies 10, 13
 - SUTA Dumping, see SUTA Dumping
 - transfer of experience
 - application for, 11
 - mandatory transfer, 10
 - manipulating premium rate, used to see SUTA Dumping
 - premium rate, used to manipulate see SUTA Dumping
 - notification of change of ownership required, 10
 - voluntary, 11
- Suitable Work, Refusal to Seek or Accept, 47
- SUTA Account Number see Employer Account Number
- SUTA Dumping
 - definition, 5
 - detection of, 9
 - examples of, 8
 - explanation, 7
 - Federal SUTA Dumping Prevention Act, 7
 - finances for, 8
 - misdemeanor, 8
 - premium rates, manipulating, 7
 - penalties for, 8
 - penalty 2% rate, 9
 - punishments for, 8
- Supplemental Wage and Premium Report, 37

T

Tax

Federal Tax see FUTA
state tax see Premiums

Tax Offices (Employer Accounts Offices)

definition, 5
directory, 2

Taxable Payroll

definition, 5
common paymaster, 12
correcting error on Wage and Premium Report, 37
experience rating, used in, 28
no payroll reports, 36
states, when reported to more than one, 19
Wage and Premium Reports, 32

Taxable Wage Base

definition, 20
FUTA, 20
Premium Report, 32
wages, reporting, 32

Taxable Wages

Claim for Adjustment or Refund, 37-38
common paymaster, 12
correcting, 37
definition, 5
experience rating, used in, 28
FUTA, 20
premium rate, used to determine, 28
reporting, 32
reserve ratio, used in determining, 28
states, other, 19
Wage and Premium Reports, 32

TDD Telephone Line for Hard of Hearing see inside back cover

Teachers, Benefit Eligibility, 49

Telephone Claims, 51

Temporary Layoff

mass layoffs, 44, 53
vacation pay, 48

Tennessee Drug Free Workplace, 47

Tennessee Job Skills Fee, 25

Terminations of Employer Coverage, 12

Testing

clerical, 58
career, referral to, 59

Tips, 26

TNPAWS, Internet Wage and Premium Report Filing

definition, 6
Wage and Premium Report, how to file, 35

Toll-Free Helpline Number, 6

Trade or Business, definition 11

Training

benefit eligibility, effect on, 48
grants, employer, 25
referral to by Job Service, 59
Tennessee Job Skills Fee, 25

Transfer of Experience

application for
 explanation, 11
 form to use or copy, 77
 how to obtain, 11-12
illegal, when, examples of (SUTA Dumping), 8
liabilities, successor responsible for predecessor's liabilities, 10
mandatory, when 10
notification of change of ownership required, 10
penalties and punishments when illegal, 8
staff leasing company, 13
SUTA Dumping, when considered, 7-9
voluntary 11

Traveling Salesman, 16

Triggers, Trust Fund, 21

Trust Fund

balance read June and December, 28

definition, 6
premium rate, effect on, 28
Trust Fund Triggers, 21

U

Underpayment, Premiums

collection of, 38-39
correcting Premium Report, 37
explanation of, 36

Unemployed

benefit disqualifications, 45-48
benefit eligibility requirements, 44
definition, 6
benefit eligibility requirements, 45

Unemployment, Week of, Definition, 6

Unemployment Benefits see Benefits

Unemployment Compensation Trust Fund see Trust Fund

Unemployment Insurance, Definition, 6

Unemployment Insurance Audit

explanation of, 54-55
sample of Audit form, 99

V

Vacation Pay

benefit eligibility, 48
wages, reported as, 25

Vacation, School, 49

Vessels

American, employee of, 16
fishing, 17
foreign, employee of, 17

Veterans

covered veteran, definition of, 60
G.I. Bill, 48
preference to, required to give, 59
qualified veteran, definition of, 59
retirement pay, military, 48

Voluntary Quit

benefits, ineligible for, 45
benefits, employer noncharged for, 41
monetary incentive to voluntarily quit, 47

W

Wage Base see Taxable Wage Base

Wage Protest, 6

Wage Reports

250 or more employees, 35
audit of, 31
completing, how to, 32-35
correcting, 37
due date, 31
electronic filing of, 35
employees not reported, 17-18
employees reported on, 16-17
explanation of, 31-36
extension of time to file, 36
failed to receive, still liable for, 32
filing options, 31
forms
 how to request, 32
 sample of, 79
inactive accounts, 12
information needed, 33
interest on late reports, 38
Internet reporting (TNPAWS), 35
jeopardy assessments, 39
late reports, 38
large employers, 35
modem, reporting by, 35

- no payroll reports, 36
- paper report
 - how to complete, 33
 - sample, 34
- penalty not filing electronically if 250 employees, 33, 37
- reimbursing employers, 29
- reporting wages, 32
- sample of, 79
- scanning equipment used 32
- Social Security Number required, 32
- Supplemental Reports, 37-38
- staff leasing companies 13
- TNPAWS, Internet reporting, 35
- Wages
 - other see Wages
 - quarter in which paid, reported in, 32, 40
 - reporting, 32
- Wages
 - back pay plans, 27
 - base period, see Base Period
 - benefit eligibility, requirements for, 45
 - bonuses, 26
 - cafeteria plans, 27
 - commissions see Commissions
 - cross matched with benefits, 54
 - deferred compensation, 26
 - definition, 25
 - fees, 25
 - gifts, 26
 - in lieu of Notice, 47
 - lodging, 26
 - meals, 26
 - medical expenses, 26
 - penalty not filing electronically if 250 employees, 35, 38
 - quarter in which paid, reported in, 32
 - records of, required to keep, 31
 - reporting, 32
 - severance pay
 - benefits, not deducted from, 47
 - premiums paid on, 26
 - sick pay, 26
 - tips, 26
 - vacation pay
 - benefit eligibility, 48
 - wages, reported as, 25
- wages in lieu of notice
 - benefits, not eligible to receive while receiving, 47
 - wages, considered, 25
- Wages in Lieu of Notice
 - benefits, not eligible to receive while receiving, 47
 - wages, considered, 25
- Waiting Period
 - definition, 6
 - eligibility for benefits requirement, 45
- WBA see Weekly Benefit Amount
- Website Forward
- Week of Unemployment, Definition, 6
- Weekly Benefit Amount
 - deductible allowance, 46
 - definition, 45
 - determination of, 45
 - extended benefits, 5
 - maximum and minimum, 45
 - partial benefits, 52
- Weekly Certification for Benefits, 45, 55
- Work
 - able and available for, benefit eligibility, 45
 - full time, less than to be eligible for benefits, 45
 - reasonable effort to secure, 45, 47
 - search requirements for benefits, 45, 47
 - separation from, no fault of own, 45
 - suitable, refusal to accept or seek, 47
- Workers
 - how to find, 57
 - other see Employees
 - part-time employees, when benefits noncharged, 41
 - services provided to unemployed workers looking for work, 59
- Workers' Compensation, 48
- Worksite Report, 39