



VIRGIN ISLANDS
DEPARTMENT OF LABOR

DIVISION OF
UNEMPLOYMENT
INSURANCE

2015 EMPLOYER HANDBOOK

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Table of Contents

1. Introduction.....	1
2. Background of Unemployment Insurance.....	1
3. Definitions.....	2
4. Important Highlights.....	5
5. Contributions.....	7
6. Federal Unemployment Tax Act (FUTA).....	10
7. Experience Rating.....	10
8. Reimbursing Employers.....	11
9. Records, Reports, and Audits.....	12
10. Independent Contractors.....	14
11. Localized and Non-Localized Employment.....	14
12. Reciprocal Coverage Agreement.....	15
13. Combined Wage Claims.....	15
14. Interstate Claims.....	15
15. Benefit Payment Program.....	15
16. Employment Service.....	18
17. Additional Information.....	18

Introduction

The unemployment compensation program in the Virgin Islands is administered by the Department of Labor / Employment Security Agency / Unemployment Insurance Service, in accordance with the provisions of the Virgin Islands Unemployment Insurance Act. The primary functions of this Agency are paying unemployment benefits to eligible unemployed workers and collecting taxes from liable employers.

This handbook has been prepared to provide a simplified explanation of the tax, benefit, and appeals provisions of the unemployment insurance program of the Virgin Islands. It does not take precedence over the law or regulations, and is subject to change at any time as a result of statutory amendments, regulatory revisions, court decisions, federal requirements, and Agency procedural changes.

This handbook is intended to provide employers in the Virgin Islands with information necessary to protect their experience rating accounts and to inform them of their rights and responsibilities under the law.

The Background of Unemployment Compensation

Unemployment Compensation was first begun as a national program during the Great Depression of the 1930's as part of a group of social insurance programs. Its purpose was and is to provide compensation to workers who are unemployed through no fault of their own until, normally, they are able to go back to work. The amounts payable as benefits are intended to cover non-deferrable expenses during unemployment, such as housing, food, clothing, and necessary transportation.

The benefits paid help maintain purchasing power which many consider the key to business prosperity. In this way, unemployment compensation promotes economic stability and helps to stave off the downward cycles that lead to economic depressions. Businessmen credit this program with playing an important part in bringing about quick recoveries from business recessions.

Your contributions (taxes) paid to the Virgin Islands Government are used exclusively for payment of unemployment benefits to individuals who are eligible under the law. Your Federal unemployment taxes paid under (*FUTA*) are used primarily to finance the administration of the unemployment insurance and employment service programs in the Virgin Islands.

For the purposes of the unemployment compensation and employment service programs, the Virgin Islands is treated as a state.

Definitions

Agency:

Virgin Islands Department of Labor, Unemployment Insurance Service.

Commissioner:

A person responsible for administering the Department of Labor.

Appeal Examiner:

A person responsible for conducting an appeal hearing and issuing decisions.

Appeal:

Process established to review determination with respect to a claim for benefits or assignment of a contribution rate.

Base Period:

The first four of the last five completed calendar quarters immediately preceding the effective date of a claim filed by an unemployed individual. Wages paid during a base period are used to determine entitlement.

Benefit Week:

Seven consecutive calendar days ending at midnight on a Saturday.

Benefit Year:

The one year period beginning with the Sunday of the week in which an initial claim is filed asking for a determination of insured status.

Calendar Week:

Period of seven consecutive days beginning on Sunday and ending the following Saturday at midnight.

Calendar Quarter:

The period of three consecutive calendar months ending on March 31, June 30, September 30, and December 31.

Charges:

Amount charged to an employer's experience rating account for benefit payments to former employees

Claimant:

An individual who files a claim for unemployment benefits.

Contribution Rate:

The percentage of taxable wages payable to the Agency by a contributing employer.

Contributions:

The unemployment insurance tax payable by contributing employers.

Contributing Employers:

All private sector employing units are considered/defined as contributing (tax paying) employers. Virgin Islands Government entities and nonprofit organizations may elect to be contributing or reimbursing employers.

Covered Employer:

Employing unit which has become subject to the provision of the Virgin Islands Unemployment Insurance Act.

Determination:

Decision by the Agency that a claimant is or is not eligible to receive unemployment benefits, or a decision with respect to employer's coverage liability, or contribution rate.

Director Unemployment Insurance Service:

A person responsible for administering the programs of the Virgin Islands Unemployment Insurance Service.

Disqualification:

A finding by the Agency that a claimant is not entitled to benefits for a particular reason.

Earnings:

With respect to a week's remuneration earned in the performance of covered or non-covered service, or in self-employment, whether not yet received.

Eligibility:

A finding by the Agency that a claimant is entitled to benefits.

Employer Account Number:

The number assigned by the Agency and used for recording and filing tax and benefit information relating to each employer's account. (Enter this number on all remittances to the Agency and refer to it in all correspondence concerning an account.)

Employing Unit:

Any individual, partnership, corporation, or other type of organization, which employs one or more individuals, full-time or part-time.

Employment:

Services performed for a covered employer, either full-time or part-time, for remuneration.

Experience Rating Account:

Account kept by the Agency for each employer to record wages paid, contributions paid, and all benefit charges as a means of computing his contribution rate annually. This is only a book account, and an employer has no property rights to the assets in an account.

Federal Identification Number:

Identification number assigned to each employer by the Internal Revenue Service and referred to as the Federal I.D. Number. The I.D. Number is used in certifications of payments made by an employer to the Virgin Islands.

Fraud:

False representation or statement knowingly made, or a failure to disclose material facts by an individual, employing unit, officer or agent of an employing unit to prevent or reduce the payment of benefits or to obtain an increase in benefits.

Insured Wages:

Wages paid for employment covered by the Virgin Islands Unemployment Insurance Act used to establish a claim for benefits.

Labor Dispute:

Any controversy concerning terms, tenure, or conditions of employment under an existing or proposed collective bargaining agreement or any lock-out by an employer of his workers.

Local Office:

One of several offices readily available for claimants/applicants to file claims, receive job placement, training information and related services. Employers also register with the Agency and pay contributions at these offices.

Most Recent Employer:

The employer who last employed the claimant immediately prior to the filing of an initial claim for benefits.

Predecessor:

The employing unit that has transferred its business, assets or activities, in whole or in part, to a successor employing unit.

Rate Redetermination:

A request for review of any determination made with respect to an employer's liability status or any action affecting an employer's contribution rate or account.

Reimbursing Employers:

Nonprofit organizations and Virgin Islands governmental entities which, instead of paying quarterly contributions, make quarterly payments equal to the amount of benefits charged against their accounts.

Successor:

An employing unit that obtained all or part of an existing entity by transfer or succession.

Suitable Work:

Work for which a worker is qualified considering the degree of risk involved to one's health, safety, morals, and prior training. Work offered as a direct result of a strike,

lockout, or other labor dispute is considered not suitable. Suitability of work may be different in connection with claims for extended benefits.

Valid Claim:

A claim filed by a jobless worker who has the required base period wages to establish a claim and a benefit year.

Wages:

Any remuneration for covered service, from whatever source, paid by an employing unit to an individual in its employ.

Important Highlights

The following is a capsule summary of the most significant aspects of an employer's rights and responsibilities under the law. Each of these points is discussed elsewhere in this handbook.

Required Record Keeping

An employer who pays wages to anyone in the Virgin Islands must maintain certain prescribed records which are to be retained for the current and at least the five preceding calendar years. These and other records relating to the employer's business must be available for inspection upon request. Failure to produce these records, when requested, is a violation of the law and may result in a penalty.

Reporting Requirements

When an employer begins business operations in the Virgin Islands, he is required to notify the Agency promptly in order to have his tax status determined.

Contributions and wage reports are required for each calendar quarter that an employer is covered under the law. The respective due dates are April 30, July 31, October 31, and January 31. The forms for making those reports are *mailed* to employers well in advance of the due dates.

Failure to file reports and pay the contributions (taxes) due by the due dates may result in assessments of interest and penalties; it may also adversely affect an employer's contribution rate in future years. **SUCH REPORTS ARE REQUIRED EACH QUARTER, EVEN THOUGH AN EMPLOYER MAY NOT HAVE PAID ANY WAGES DURING THE QUARTER.**

Whenever an employer discontinues business in the Virgin Islands, transfers his business, or changes his legal form (e.g. from a partnership to corporation), he must notify the agency. This information may be noted on the final quarterly tax report or in letterform addressed to the agency's *Director or Chief of Tax*.

Employment Subject To Law

Service performed for any employing unit in the Virgin Islands is subject to contributions, unless specifically excluded under the law. In general, service is covered if performed for some portion of a day in the current or preceding calendar year. If two or more businesses or establishments are owned or operated by the same employer, they will be treated as a single employing entity for purposes of the law. See, however, the special rules that apply to household employee coverage below.

Tax Computation and Payment

The base amount (Taxable Wage Base) of each employee's total earnings received as remuneration for covered employment during a calendar year is subject to contributions payable by the employer. The base amount is computed for each tax (calendar) year as an amount equal to 60.0% of the average annual wage in insured work in the Virgin Islands, rounded to the nearest \$100.00.

Note: The 2015 Taxable Wage Base is \$22,900.00.

Almost every form of remuneration paid to an employee is subject to contributions, including salaries, wages, commissions, tips, bonuses and the reasonable cash value of any meals or lodging provided.

A tax rate is assigned to each employer for each taxable year. Notice of the rate assigned is mailed by January 31st of each year.

Penalties are assessed on all delinquent wage and contribution reports, but not to exceed \$60.00 per year. Interest is assessed on all delinquent contribution and reports at a rate of 9.0% per annum.

Non-Profit Organization and Governmental Entities

All employees of non-profit organizations and Virgin Islands governmental entities are covered under the Virgin Islands Unemployment Insurance Program. Both non-profit organizations and separate governmental entities may elect to finance their participation in the unemployment insurance program under the benefit reimbursement option rather than contribution (tax) method.

Charging of Benefit Payments

Benefits paid to a claimant are charged to the experience rating or reimbursement accounts of employers who paid wages to the individual during the base period of the claim. See "base period" under "Definitions" above. Employers are notified of these charges quarterly.

An employer should promptly contact the local office if:

- He/she has work available for the claimant;
- The claimant has declined an offer of employment or reemployment; or
- He/she believes the claimant is currently working or otherwise not entitled to benefits.

An employer should also contact the Agency if he/she believes the benefits charged are incorrect for any reason.

Contributions

Who is liable?

Employing Units for which one or more individuals perform services at any time in "employment," as defined in the law, are normally subject to contributions. The services may be performed full-time or part-time, by adults or minors.

If individuals perform personal or domestic service in a private home or in a local college club, fraternity, or sorority and the aggregate payroll in that location equals or exceeds \$500.00 in remuneration in a calendar quarter in the current or preceding calendar year, the employees are in covered employment and their wages are normally subject to contributions.

Wages

The term "wages" for the purpose of unemployment insurance under the Virgin Islands law means any remuneration for personal services. The term includes tips, commissions, bonuses, the cash value of meals, lodging, laundry, and other means of payment for employment. Wages are reportable by employers in regard to the quarter when paid.

The following payments are a few examples of those not considered to be wages

- *The employer's share of contributions to a fund under a plan or system for retirement benefits or health and life insurance.*
- *Courtesy discounts on purchases.*
- *Sick pay paid under a third party plan or system.*
- *Travel expenses actually incurred and paid.*

Household Employee Coverage

The Virgin Islands law provides unemployment insurance protection for household employees, which is also financed by their employers normally through contributions, similarly to other employers.

The following questions are the most common asked by domestic service employers:

Q: We have a maid. How can I tell if I am required to pay unemployment insurance taxes?

A: The key is how much CASH wages you pay to your household help. If you paid \$500.00 in any calendar quarter of this year or the preceding year, the job of everyone working for you in your home is covered. That does not mean \$500.00 to each employee; it means \$500.00 total cash wages. In other words, if you employed two individuals and paid each \$250.00 in a quarter that adds up to \$500.00 and means their jobs are covered.

Q: Are baby sitters counted as household employees?

A: Yes. If over 18, the babysitter is an employee for our purposes. Here are examples of *some other individuals* considered household employees: cleaning women, governesses, chauffeurs and gardeners. Your spouse and your minor children are not considered employees for these purposes.

Q: I have a nurse who performs service for me at my residence. Would she be covered under the law?

A: A licensed nurse called in on a special case, who is not subject to any direction or control from the person who retains her services, is considered an independent contractor and not covered. However, a nurse, regardless of her professional standing, who does not offer her services widely and who devotes her services exclusively to one patient under contract of hire usually over an extended period of time has removed herself from the professional labor market and is an employee covered under the law.

Q: I have paid \$500.00 in cash wages, within one calendar quarter, to individuals working in my home. What should I do?

A: You should write or telephone this Agency and we will mail *you our official* registration form to complete and return. You will then be officially notified of your liability.

Q: What is expected of me after I receive notice that I am a liable employer?

A: Reporting forms will be sent to you on which you will enter certain information. When computing wages for this report, include, in addition to cash wages, the cash value of any room and board you gave your employee(s) during the quarter.

If you pay less than \$500.00 in cash wages in any calendar quarter, you have no liability for that quarter. You must still file the quarterly report showing no employees. If you do not intend to have employees in the future, you can request that your account be terminated. You will no longer be required to file reports as an employer.

Exempt Services

Examples are given below of types of work which are not subject to contributions or reimbursements.

- Services performed by an individual under 18 years of age as a babysitter.
- Services performed not in the course of an employer's trade or business.
- Services performed by an individual in the employ of a son, daughter, or spouse. Service by a child under 21 in the employ of a parent.
- Service as an insurance solicitor or agent if entirely on commission.
- Services performed in the employ of a church or convention or association of churches or an organization which is operated primarily for religious purposes.
- Workers who are hired as part of an unemployment work-relief or training program assisted or financed by any Federal or State agency or political subdivision thereof.
- Services performed in the employ of a foreign government.
- Employees of international organizations.

The foregoing list is not complete. If you have any questions about coverage and exemption of particular services, please contact the Agency.

Voluntary Election of Coverage

An employing unit not otherwise subject to the coverage provisions of the law may elect to become a covered employer. Such election must be requested in writing and approved by the Agency. Such election must cover an initial minimum period of two calendar years. Continuing coverage is automatic yearly thereafter, unless action is taken by the employer or by this Agency to cancel the agreement. Employers who elect to be covered are subject to all provisions of the law.

Date of Liability

An employer becomes liable when he first pays wages for covered services in the Virgin Islands, and the liability then applies to the entire calendar year beginning January 1.

Termination of Coverage

An employer can terminate his liability when the coverage requirements are no longer met under the law. The agency should be notified in writing when that occurs.

Employers who become liable by voluntary election may not terminate coverage until two full calendar years have passed since election of coverage.

Federal Unemployment Tax Act - FUTA

Most employers liable for state unemployment taxes are also liable for taxes under the Federal Unemployment Tax Act (FUTA).

This FUTA tax is used to pay the costs of operating the Unemployment Compensation Programs and the Public Employment Service in the State and Federal Governments and also to repay the Federal debt for extended benefits and the Federal Supplemental Compensation Program.

The unemployment compensation system is a joint program between the Federal and State Governments.

Employers who pay State unemployment taxes in the form of contributions receive an offset credit on their Federal unemployment taxes if the State is certified by the US Secretary of Labor as satisfying the Federal law. This is how the process works:

Base Federal Unemployment Tax Rate	6.0%
Surtax for Fund Building	<u>+ .2%</u>
Total Federal Unemployment Tax Rate	6.2%

The Federal offset credit is 90.0% of the Federal Base Tax.

$$6.0\% \times 90.0\% = 5.4\%$$

The total Federal unemployment tax would be reduced by the credit as follows:

Total Federal Tax	6.2%
Offset credit	<u>-5.4%</u>
Net Federal Tax	.8%

Experience Rating

How and When You Qualify

Experience rating is a system that relates the amount of contributions to be collected from employers to the cost of benefits paid to employees. An experience rating account is established for all registered employers. Lower rates are assigned to employers whose experience with their employees' risk of unemployment costs less, and higher rates to those whose experience costs more. Experience rating is designed to maintain an adequate reserve of funds to finance potential benefit payments in the near future. Employers newly subject to the law will be liable to pay contributions at a rate of 2.0% of

taxable wages until they become eligible for contribution rates based on their experience. Employers become eligible for such rates after they have completed 12 calendar quarters of such experience by September 30 of any given year.

How your tax rate is computed

*On a yearly basis, by December 31, the computed Current Reserve (The difference between contributions paid and benefits charged in an employer's experience rating account during a 12 quarter period ending September 30) of each employer's experience rating account is divided by the total wages paid for the same period to determine a **reserve ratio**. The lower the reserve ratio is the higher the assessed contribution rate and vice versa. Rates vary from a low 1.5% to a high 6.0%. **The formula: Current Reserve/Total Wages = Reserve Ratio***

If benefits charged against an employer's experience rating account are less than the contributions paid to it, then the current reserve balance is positive and the resulting reserve ratio also positive. On the other hand, if the benefits charged against an employer's experience rating account are more than the contributions paid to it, then the current reserve balance is negative and the resulting reserve ratio also negative.

Application for Rate Redetermination

The contribution rate will be conclusive and binding unless written application setting forth the reasons for review and redetermination is filed with this Agency within 15 days after the notice was mailed or delivered to the employer's last known address.

Reimbursing Employers

Governmental entities and nonprofit organizations may choose either to pay contributions quarterly or to reimburse the Agency for benefits paid to their former employees. The option chosen will remain in effect normally for a minimum of two calendar years and can be changed only by submitting a written request to the agency at least 30 days before the beginning of a new taxable year.

A reimbursing employer is billed quarterly when benefit payments are to be reimbursed, with an itemized listing that shows individual charges. These charges are binding unless the employer files a request for review and redetermination in writing, setting forth the charges to which he is objecting and the basis for the objection within 15 days of the mailing date. The bill must be paid within 30 days to avoid interest and penalty charges.

Employers electing the reimbursement option will still be required to file contribution and wage reports each quarter similarly to employers liable for contributions. The reports will be used, however, only for statistical purposes.

Records, Reports, and Audits

Registration As Employer

All employing units paying wages in the Virgin Islands are required by law to (1) notify the Agency within 5 days after the first employee starts to work and (2) to register as a covered employer. Registration forms are furnished upon request for this purpose.

The registration is used to provide the Agency with the necessary information with respect to ownership, location, and type of business needed to make a determination of an employing unit's liability.

A registration and status report is also required when an employer acquires all or part of the business of another employer and when there is any change in *the* type of business or entity or business status.

Employment Records

The law requires that all employing units keep accurate and up-to-date records on all employees.

These records must show:

- Each employee's name and social security number.
- The date each employee was hired, separated or furloughed, rehired, or returned to work after a temporary layoff.
- The approximate age or year of birth for each employee.
- Citizenship of each employee.
- The reason for each separation or layoff.
- The period covered by the payroll record.
- The rate of pay (e.g. hourly, daily, piece rate).
- The total wages paid to each employee for each pay period showing (1) cash remuneration, (2) the cash value of other remuneration, including gratuities and tips, and (3) expenses incurred by each employee for which deduction from wages is claimed.
- Full-time scheduled working hours.

- Record of daily attendance.

NOTE: The law requires employers to make their records available and to furnish such information to authorized representatives of the Agency as it may require and in the manner and at the times it may require.

Quarterly Wage and Contribution Report

Contributing and reimbursing employers are required to file an Employer's Quarterly Wage and Contribution Report to report wage and tax information for a calendar quarter. The report and proper remittance (payable by contributing employers) are due at the end of the month following the end of a completed calendar quarter as follows:

<u>QUARTER COVERED</u>	<u>DUE BY</u>
January, February, March	April 30
April, May, June	July 31
July, August, September	October 31
October, November, December	January 31

The Agency has no authority to grant extensions of time to file quarterly reports or to pay contributions. Reimbursing employers are required to make payments in lieu of contributions within 30 days after billed.

Employer's quarterly reports are mailed to every employer in active status. The forms are preprinted with the employer's name, address, account number, quarter and year to be reported, due date, the tax rate and taxable wage base to be used in computing the tax due. If for any reason you fail to receive this form, you should request that a form be mailed to you. Whenever possible, you should use the preprinted form in order to insure correct processing of your report.

FAILURE TO RECEIVE THIS FORM DOES NOT RELIEVE YOU OF THE RESPONSIBILITY FOR FILING THE REPORT.

Extreme care should be taken to insure that the employee's name, social security number and total wages are correctly and clearly reported, because the information provided by the employer is used in processing claims for unemployment benefits. Use the instructions on the back of the Employer's Quarterly Wage and Contribution Report as a guide to filling out the form.

If you keep your payroll records on magnetic tape or diskette and would like to report to the Agency in that manner, please contact the Agency so that appropriate arrangements may be made.

Employers who discontinue or sell their business must file reports within 20 calendar days after such event occurs.

Corrections and Adjustments

If you find that a previously filed Employer's Quarterly Wage and Contribution Report was incorrect, you should notify the Agency in writing and furnish the corrected information. You may request a form for your use in making corrections or adjustments. *Do not use the regular quarterly report form for making adjustments to prior quarters.*

Interest and Penalty

Contributions and payments in lieu of contributions not paid when due are subject to interest at the rate of *9.0% per annum or fraction thereof until paid*. In addition to the interest imposed for delinquent payments, a penalty is assessed of \$5.00 for each month, or fraction of thereof, of delinquency, unless good cause is found for such delinquency.

Carelessness in preparing and filing report is insufficient as a ground for waiver of a penalty. Requests for waiver must be **submitted to the Agency in writing**.

Injunctions

In extreme cases where the Agency cannot secure compliance, it may petition the courts to issue an injunction prohibiting the employer from operating his business in the Virgin Islands until the employer has complied with the law.

Audits and Employer Records

In order to insure compliance with the tax provisions of the law, field audits are conducted on employers' records periodically. An audit may disclose an underpayment or overpayment of contributions by an employer. In cases of underpayment, the field auditor will collect additional contributions and interest due. In cases of overpayment, the field auditor will assist the employer in applying for a refund or credit adjustment.

All field auditors carry identifying documents issued by the Agency. Do not hesitate to ask for proper identification.

Independent Contractors

The Agency will determine whether individual workers are employees or independent contractors. The law does not cover an independent contractor. The ordinary rules of the common law relative to "master and servant" do not apply in defining an employment relationship. Service will be considered covered, unless the individual performing such service can be clearly shown to be an independent contractor.

Localized and Non-Localized Employment

The definitions of "employment" are essentially uniform in state unemployment compensation laws. The objective is to cover under one state law all the service performed for one employer by an individual, wherever it is performed. The following guidelines for applying the coverage provisions are offered.

First, it is necessary to determine whether the service is entirely localized in any state. Only if the service is not localized in any state is any other test necessary. If the service is not localized, it is necessary to determine in what state the individual's base of operations is and whether he performs any service in that state. If he has no base of operations, or if he performs no service in the state in which his base of operations is located, then it is necessary to look to the state from which his service is directed or controlled. It is only when coverage is not determined by any of these tests that residence becomes a factor.

Reciprocal Coverage Agreement

If, after applying all the above localization tests to a given set of circumstances, the individual's service is *not found* to be clearly subject to any one state law, the employer may elect to cover in one state all of the individual's service under a reciprocal coverage agreement. Such an agreement must be approved by the states involved. Contact the Agency for more information if you have workers who perform service in more than one state, including the Virgin Islands.

Combined Wage Claims

If an individual has worked in more than one state, he may combine all of the wages earned in his base period either to qualify monetarily for benefits or to increase the amount of benefits to which he would be entitled.

Interstate Claims

If an individual earned his base period wages in one state and later moved to another State where he became unemployed, he may file claims in a certain manner whereby he can use his wages to establish a claim and receive benefits if he is otherwise eligible and not disqualified.

Benefit Payment Program

In the Virgin Islands, as in other states, employers pay the entire cost of regular Unemployment benefits and a share of the cost of extended benefits. No part of an employer's contributions (taxes) may be withheld from workers' wages. Since it is your contribution that finances compensation payable to eligible jobless workers, it is desirable for you to become familiar with the requirements of the benefit payment program under the Virgin Islands Law.

The unemployment compensation program is designed to assist workers unemployed through no fault of their own to meet non-deferrable living expenses for themselves and their families, thereby allowing them to search for work commensurate with their skills, training, and experience. Benefit payments also help to sustain the economy of the Virgin Islands by maintaining purchasing power within the population.

You can help to reduce your contribution rate, or to keep it from rising unduly, by providing when requested or on your own initiative, timely, pertinent, and accurate information about individuals claiming unemployment benefits.

Note: The 2015 Maximum Weekly Benefit Amount is \$477.00

Requirements for Entitlement

To qualify for benefits, an individual must have (1) worked in covered work during his base period, (2) earned a minimum amount of wages in at least two calendar quarters, (3) become unemployed through no fault of his own, (4) filed a valid claim for benefits and registered for suitable work with the Agency, and (5) be found eligible, and not be disqualified. Each of those conditions is described briefly below.

Coverage

A worker must have performed service for remuneration for an employing unit that is covered under the Virgin Islands Unemployment Insurance Act, and the service performed must be covered, that is, not a type of service that is exempt under the law. If exempt, the service may, nevertheless, be covered if the employer so elected.

Qualifying Wages

A worker must have earned remuneration that is covered and treated as wages under the law, in an amount not less than \$858.00 in the single calendar quarter of his base period in which he earned the highest amount of wages. In addition, his total base period wages must be at least one and a half times his high quarter wages.

Unemployed

The individual claiming benefits must either be not working at all or *working* for a number of hours that are less than the customary hours for his occupation. If a claimant does work part-time, he must report all of his earnings to the Agency **WHEN EARNED, NOT WHEN PAID.**

Entitlement

The unemployed individual must not have quit his job voluntarily without good cause connected with his work, and he must not have been discharged or suspended for misconduct connected with his most recent work. In addition, the individual must not have failed, without good cause, to apply for or accept available suitable work to which he has been referred.

An individual claiming benefits must be physically able to work. The program is not intended to compensate individuals who are sick, or disabled and, therefore, unable to look for or accept suitable work.

A claimant must be actively seeking suitable work by doing whatever a prudent person would do if he were seriously interested in finding work.

A claimant must not be unemployed because of a labor dispute in active progress where he formerly worked. He must not be an alien who is not authorized to work in the Virgin Islands, *a school employee unemployed between school years or terms and who has a reasonable assurance of returning to work when the school year or term begins again*, or an athlete unemployed between sport seasons and who has a reasonable assurance of reemployment in the following sport seasons.

A claimant's benefit amount may be reduced, even if he is otherwise qualified, by the receipt of certain types of income such as back pay awarded for wrongful separation, pensions based on previous work, and pay in lieu of notice of separation. If such income equals or exceeds the benefit amount otherwise payable, no benefit will be paid for the week affected.

A claimant may be disqualified for fraud in connection with a claim, such as deliberately not reporting earnings for a week claimed as totally unemployed. Amounts received as benefits would become overpayments that must be repaid by the claimant by one means or another, either through deductions from the weekly benefit check, or a lump sum, or partial payments, if the claimant is not currently receiving benefits.

Appeals

If you believe a claimant should not be allowed benefits, either initially or for any week(s) during a claim series, you may appeal within 10 days from the date of the determination by submitting a request in writing to the Agency with the necessary information for a hearing. If an appeal decision allows benefits and you disagree, you may appeal further to a District Court within 30 days from the date of the decision. See

the notice of appeal rights furnished with each determination or appeal decision, especially the time limits on filing appeals.

Telephone Hearings

When the employer and claimant are in separate locations, especially in cases involving interstate claims, e.g., Virgin Islands and New York, and it is impossible for both parties to make face to face contact each party will be given advance notice to the hearing. The parties will give testimony over the phone and may be cross-examined in the same manner. The telephone hearing will be conducted and controlled by an Appeal Examiner.

Employment Service

The Agency operates Job Service centers for individuals seeking work and employers wanting to fill vacancies. This public employment service can save employers valuable time and money in interviewing, testing, training, and counseling employees. Job Service can refer the best-qualified applicants to employers who refer their openings to it. You are encouraged to use its services. See a list of Agency offices on the back of this booklet.

Additional Information

If you have any questions, you may write, call, or visit the Agency, or consult one of our field auditors when he visits your place of business.

HOW TO COMPLETE A WAGE AND CONTRIBUTION FORM

DO NOT SEPARATE UNTIL COMPLETED; then remove pink copy and return white and yellow copies to *the* Agency.

Note: All employers subject to the Virgin Islands Unemployment Insurance Act are required to complete this report and return it with remittance due on or before the last of the month following the close of the pertinent calendar quarter. The report must be filed even if no remittance is due. If you had no employees during the quarter, write "No Employees" and provide an explanation such as "Closed Temporarily" or "out of Business." Failure to file report will result in a penalty charge.

If you have been assigned more than one account number by the V.I. Unemployment Insurance Service, do not combine reports. File separately for each account.

For Your

Protection: If you have sold or dissolved your business or changed business addresses during the quarter, complete the **Notice of Change** in the upper left section of this report.

Items 1, 2, and 3:

Enter for each employee, his or her social security number, name, and total wages paid during the quarter. "Total Wages" must include commissions, bonuses, special cash payment and gratuities if reported to the employer by the employee. Wages paid for casual labor are taxable under the VI Code, Title 24. **Do not** include wage adjustments for a previous quarter. If adjustments are required, please contact the Agency.

Item 4: Enter taxable wages paid to each employee during the quarter. This is the same as the amount in **Item 3** until the taxable wage limit has been reported for the calendar year for each employee. (See top right of form for pre-printed taxable wage base.)

Item 5-A: Enter specific job title (e.g., security guard; hotel clerk; tax attorney, etc.)

Item 5-B: Enter regular rate of pay, exclusive of overtime.

Item 5-C: Enter one of the following code numbers: (1) per hour; (2) per week; (3) bi-weekly, (4) semi-monthly, (5) per month, (6) per year.

Item 5-D: Enter total hours worked for which pay was received during the quarter.

Item 5-E: Enter one of the following code numbers: (1) U.S. Citizen; (2) Non-citizen with Permanent Residence I.D. Card issued by U.S.I.N.S.; (3) Alien holding temporary or indefinite work permit.

Item 5-F: Enter (1) for male or (2) for female.

Item 5-G: Enter the approximate age.

Item 6-A: Enter the Sum of Total Wages paid during the quarter to all employees listed on this page

Item 6-B: Enter the Sum of Taxable Wages paid during the quarter to all employees listed on this page.

- Items 7A & 7B:** Totals of Total Wages must be shown for each page of payroll. **Caution: If a substitute form is used, list information in the same order as it appears on the report (VIUIS-2). Enter your name and V.I.U.I. account number on each page of the payroll report.**
- Item 8:** Multiply taxable wages (**Item 7-B**) by your contribution rate shown at the top right of the report.
- Item 9:** *Enter late payment interest of 9.0% per annum.*
- Item 10:** Enter penalty of \$5.00 per month, up to \$60.00 per year if report is filed **after** due date.
- Item 11:** Enter amount shown on any Debit Memorandum received for underpayment in earlier quarters and not paid by the date of this filing. Add interest if payment is made 30 days later than the month of the Debit Memorandum. (Attach Copy of Debit Memorandum.)
- Item 12:** Enter Sum of Items 8 through 11.
- Item 13:** Enter amount shown on any credit Memorandum received for overpayment for which you have not taken credit at the date of filing this report. (Attach Copy of Credit Memorandum)
- Item 14:** Enter amount due for the quarter. (**Item 12 minus Item 13**). Make check payable to: **Employment Security Agency. Write your V.I.U.I. Employer Account Number on your check. Please issue a separate check for interest and penalty if it is part of the NET REMITTANCE DUE amount.**
- Item 15:** Enter page number.
- Item 16:** Enter number of payroll pages submitted in this report.
- Item 17:** Check if data is transmitted on computer tape.
- Item 18:** Enter the total number of employees listed on all pages of this report.
- Item 19:** Enter the number of full and part-time employees who worked or received pay for any part of the pay period which included the 12th of the month.
- Item 20:** If yes, you are **REQUIRED** to complete the **Multi-Establishment Report, VIUIS-2-B.**
- Item 21:** Signature and date of completion.

Remove the Pink Copy for your records.
Return the White and Yellow Copies to the Agency.

Local Office Hours are:

8:00 - 5:00 Monday through Friday

Local Offices-Address and Telephone Number

St. Thomas/St. John

UNEMPLOYMENT INSURANCE SERVICE

Local Office UI-1
Department of Labor Building
2353 Kronprindsens Gade
P.O. Box 303159
St. Thomas, VI 00803

Telephone: (340) 776-3700

St. Croix - Christiansted

UNEMPLOYMENT INSURANCE SERVICE

Local Office UI-2
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Christiansted, St. Croix, VI 00820-4245

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