



New York State Department of Labor  
Unemployment Insurance Division  
State Office Building Campus  
Albany NY 12240-0322  
[www.labor.ny.gov](http://www.labor.ny.gov)

## Household Employers Guide for Unemployment Insurance (UI)

### New York State UI Liability Required

You must pay New York State (NYS) Unemployment Insurance (UI) taxes if you

- Hire people to do personal or domestic services in your home and
- Pay cash wages of \$500 or more in a calendar quarter

Your liability begins the first day of the calendar quarter you pay these wages.

### Voluntary

You do not have to pay UI if you:

- Have household employees and
- Pay less than \$500 cash wages in a calendar quarter

However, you may voluntarily pay UI to cover these employees.

### Federal (FUTA) Liability

You must pay Federal Unemployment Tax if you pay your household employees \$1000 or more in any calendar quarter of the present or the last calendar year. For more details, contact the Internal Revenue Service at (800) 829-4933 and select the option for "forms 940 and 941."

### Covered Employment in New York State

Household employees in NYS are in "**covered employment**" when you pay them at least \$500 cash wages in a calendar quarter. People who work as home health aides usually fall under "covered employment."

#### *Exceptions*

You cannot volunteer to pay UI taxes for people in "**non-covered employment**" in New York State. Their earnings are not taxable under this law. They do not qualify for UI benefits. Workers in this group are:

- A sole proprietor's spouse and/or child under age 21
- Daytime students who attend elementary or high school (However, you must pay UI taxes on wages you pay these students if you are liable under FUTA.)
- Children under age 14
- Babysitters under age 18
- People under age 21 you employ in casual work in and around the house (Such work includes shoveling snow or washing windows but not using power-driven machinery.)
- Independent contractors. These people are
  - In business for themselves and
  - Free from any direction and control of their work by the people who use their services

If you have questions about your liability for paying UI:

- Write to the Liability & Determination Section at the above address or
- Call the Department of Labor at (888) 899-8810

### Terminating UI Liability

#### Required Liability

Once liable, you must report and pay any taxes due each quarter. You must report even if you pay less than \$500 in wages in a quarter.

You may apply to end your liability if you pay less than \$500 cash wages for a full year. Send a written request to the Liability and Determination Section at the letterhead address.

Your liability ends at the close of the quarter in which we receive your request.

## Voluntary Coverage

You may end this coverage at the end of the second calendar year after you request the coverage.

Write to the Liability and Determination Section at the letterhead address (top of the first page) to end this coverage.

Your liability ends at the close of the quarter in which we receive your request.

## No Employees in Home

Contact the Liability and Determination Section when you:

- No longer have any employees and
- Do not expect to hire any employees

We will close your account.

## Obligations as an Employer

**The Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return (NYS-45) is a record of your contributions and UI tax payments.**

If you are liable, you must file a NYS-45 with the correct taxes due.

Employers must complete Part A and Part C, columns a, b and c

You must file a quarterly return even if:

- You pay no wages in a quarter or
- There is no tax due to either the Department of Labor or Department of Taxation and Finance

The Unemployment Insurance filing due dates are:

Quarter	Period Covered	Due Date
First Quarter	January 1 – March 31	April 30
Second Quarter	April 1 – June 30	July 31
Third Quarter	July 1 – September 30	Oct 31
Fourth Quarter	October 1 – December 31	January 31

If the due date falls on a Saturday, Sunday or legal holiday, you can **file on the next business day.**

You can file your NYS-45 online at [www.tax.ny.gov/online](http://www.tax.ny.gov/online).

Some of the benefits of filing online are:

- You get the most current experience rate
- The website calculates the amounts due
- You get instant confirmation
- You can make direct payment from your bank account via ACH debit and
- You get different wage reporting options

How to get a copy of the NYS-45:

- Go to the Forms and Publications link at [www.labor.ny.gov](http://www.labor.ny.gov) or
- Call (518) 457-5431 and choose the withholding tax option

## Late Taxes:

- By law, we must charge 1% per month interest on all **late** quarterly UI tax payments.
- Taxes paid more than 60 days after the due date are not used to calculate your future UI tax rates. This may increase the amount of UI tax you must pay.

## Late Reports:

If you do not file all required parts of the NYS-45 or file the report late, you may be assessed a penalty. Penalties increase with the lateness of the return.

## Earnings Subject to Unemployment Insurance Tax

You pay UI tax on the first \$8,500 of each employee's earnings during each calendar year.

Taxes do not apply to earnings by daytime elementary and high school students and dismissal or severance payments unless you are liable under FUTA.

Earnings include:

- Vacation pay
- Bonuses
- The reasonable value of any meals and lodging received

No UI tax is due for carfare money or on any social security payments you voluntarily make for your employee.

## No Deductions from the Employee's Pay

The law forbids you to deduct any part of your UI taxes from an employee's pay.

## Reports Required by NYS Department of Taxation and Finance

Withholding - Withholding income tax from wages you pay to domestic employees is *voluntary*.

If you and your employee agree to withhold New York State income tax from their wages, you must complete Part B of the NYS-45 each quarter.

If the income tax withheld exceeds \$700 during a quarter, you must file a *Return of Tax Withheld*, (NYS 1).

You pay the taxes you withheld during such quarter.

New Hire Reporting - Within 20 days of the hiring date, employers must report the following information about each new employee working in the state.

- Employee full name and address
- Employee Social Security Number
- Employer name and full address
- Employer Federal Employer Identification Number (FEIN)

You report this information on the *Employee's Withholding Allowance Certificate* (IRS form W-4). You can submit new hire information by:

- **Online reporting at [www.nynewhire.com](http://www.nynewhire.com)**
- **Magnetic Media:** Contact Employer Outreach at (518) 320-1079 for current specifications
- **Fax:** (518) 320-1080 or
- **First Class mail, private delivery service**  
New York State Department of Taxation and Finance  
New Hire Notification  
PO Box 15119  
Albany, NY 12212-5119

### Need Help?

For questions about tax reports and tax forms required by the **New York State Department of Taxation and Finance**, call the Business Tax Information Center, at **(518) 457-5342**.

**Do not** report this information to the Department of Labor.

## Supply Employment Record to Employees on Leaving the Job

You must complete and give a *Record of Employment* (IA 12.3) to every employee who quits, is laid off, or is discharged. This form lists your name, employer registration number and the address where you keep your wage records.

To get this form:

- Go online at [www.labor.ny.gov](http://www.labor.ny.gov)
- Write the Registration Section at the letterhead address on the first page of this guide
- Call (888) 899-8810 or
- Fax your request to (518) 485-8010

## Providing Information on a Claim for Benefits

If a former employee applies for UI benefits, The NYS Department of Labor first determines that person's entitlement to UI and benefit rate. We base this on the wages employers report on the quarterly reporting forms NYS-45 and NYS-45 ATT.

If we determine that an individual is entitled to UI benefits, we send a *Notice of Potential Charges* (LO 400) to all employers whose experience rating accounts might be charged for the UI benefits the person may receive. If you see any discrepancies in wage or possible disqualifying information, report it promptly. Most adjustments will not be retroactive; they only affect charges and benefit payments made **after** we receive and process the new information.

We may request more wage information for a specific claim. Errors can cost you, as they may result in incorrect charges to your account, increase future years' tax rates and delay UI benefit payments to the claimant.

## UI Tax Rate

You pay UI taxes on the first \$8,500 (including the cash value of room and board) you pay to each employee in a calendar year. We compute your tax rate annually, based on a number of factors, including:

- The length of time you have been subject to the law
- The timeliness of your quarterly tax reports
- How promptly you pay your taxes
- The amount of UI benefits paid to former employees based on their employment with you and
- The balance in the State's UI Fund

We send you a notice of your tax rate for each year in March, prior to the April 30 filing date of your first quarter report.

## **Notification of Benefit Charges**

We send a *Notice of Experience Rating Charges* (IA 96) to inform you of UI benefit payments made to your former employees. If you know any reason why the former employee should not receive UI benefits, inform the Department of Labor offices listed on the Notice and on the LO 400.

The UI benefits received by your former employees may increase your future UI tax rate.

## **Request for Hearings and Appeals**

### **Hearings**

You have 30 days from the date of the determination to ask for a hearing before an administrative law judge if you:

- Are not satisfied with a determination concerning your UI taxes or
- Object to a determination on the UI benefit status of a former employee

### **Appeals of Hearing Decisions**

You have 20 days to appeal a case to the Unemployment Insurance Appeal Board (UIAB) if you or your representative:

- Were at the hearing and
- Are not satisfied with the Administrative Law Judge's decision

There is no charge for an appeal. You can appeal a decision of the UIAB in court under Article 78 of the Civil Practice Law and Rules (CPLR).

**Need Help?** For questions about NYS unemployment insurance and required forms, contact the Liability and Determination Section at the letterhead address (top of first page) or call (888) 899-8810.

**Keeping Proper Unemployment Insurance Records**

To help you save the information you must submit to the Department, use this sample worksheet for recording an employee's weekly earnings.

Put the employee's name and social security number at the top. Each week, enter the number of days worked and the earnings. Any employment, on any day, even an hour or less, is a day of work. For Unemployment Insurance, a week runs from Monday through Sunday.

The employee's reportable earnings include cash wages, bonuses, vacation pay and the reasonable value of any meals or lodging that you provide. If you report the reasonable value of any meals or lodging provided, it can be no less than the value you use in complying with the State's minimum wage requirements. You only report dismissal payments and wages paid to daytime elementary and high school students if you are also liable for paying the Federal Unemployment Tax.

<b>Employee's Name</b>	<b>Employee's S. S. Account Number</b>
------------------------	--

First Quarter					Second Quarter					Third Quarter					Fourth Quarter				
Week Ending Date (Sunday)	Days Worked	WAGES			Week Ending Date (Sunday)	Days Worked	WAGES			Week Ending Date (Sunday)	Days Worked	WAGES			Week Ending Date (Sunday)	Days Worked	WAGES		
		Cash	Board And Lodging	Total Weekly Wages			Cash	Board And Lodging	Total Weekly Wages			Cash	Board And Lodging	Total Weekly Wages			Cash	Board And Lodging	Total Weekly Wages
		TOTAL					TOTAL					TOTAL					TOTAL		

If this person resigns, is laid off, or discharged, enter the last day of employment here: \_\_\_\_\_

**Do not send this record to the Unemployment Insurance (UI) Division. Keep it for four years, and have it available for review by the UI Division, if requested.**