

Household Employers Guide for Unemployment Insurance

New York State Unemployment Insurance Liability

Required

You must pay New York State (NYS) Unemployment Insurance contributions if you:

- Hire individuals to do personal or domestic services in your home
- 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 Unemployment Insurance contributions if you:

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

However, you may voluntarily pay Unemployment Insurance contributions to cover these employees.

Federal (FUTA) Liability

You must pay Federal Unemployment contributions 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 “form 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. Individuals who work as home health aides usually fall under “covered employment.”

Exceptions

You cannot volunteer to pay Unemployment Insurance contributions for people in “non-covered employment” in New York State. Their earnings are not subject to Unemployment Insurance contributions under this law. They do not qualify for Unemployment Insurance 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 Unemployment Insurance contributions 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 Unemployment Insurance contributions:

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

Terminating Unemployment Insurance Liability

Required Liability

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

You may apply to end your liability if you pay less than \$500 in 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 voluntary 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

Obligations as an Employer

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

If you are liable, you must file a NYS-45 with the correct Unemployment Insurance contributions due. Employers must complete Part A and Part C, boxes a., b., c., d., e., and f.

You must file a quarterly return even if:

- You pay no wages in a quarter or
- There are no contributions 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.
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Please note: For returns due on and after April 30, 2015, you must electronically file and pay your NYS-45 return. For more information, visit the Department of Taxation and Finance Online Service Center at www.tax.ny.gov.

Late Unemployment Insurance Contributions:

- By law, we must charge 1% interest per month on all late quarterly Unemployment Insurance contributions.
- Contributions paid more than 60 days after the due date are not used to calculate your future Unemployment Insurance rates.

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 Contributions

You pay Unemployment Insurance contributions up to the Unemployment Insurance wage base of each employee's earnings during each calendar year.

On January 1, 2014, several provisions of the recent Unemployment Insurance reform legislation go into effect. These provisions affect the Unemployment Insurance wage base. The Unemployment Insurance wage base will adjust January 1 of each year as follows:

• Year 2013 and prior	\$ 8,500
• January 2014	\$10,300
• January 2015	\$10,500
• January 2016	\$10,700
• January 2017	\$10,900
• January 2018	\$11,100
• January 2019	\$11,400
• January 2020	\$11,600
• January 2021	\$11,800
• January 2022	\$12,000
• January 2023	\$12,300
• January 2024	\$12,500
• January 2025	\$12,800

For years beginning in 2026, the wage base will permanently adjust on January 1 of each year to 18% of the state average annual wage, rounded up to the nearest \$100. For purposes of determining the wage base, the state average annual wage is calculated using the four most recent quarters of published New York State quarterly census of employment and wages data. The state average annual wage cannot be reduced from the prior year's level. The wage base for 2026 is \$17,600.

Contributions 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 contributions are 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 Unemployment Insurance contribution 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
- 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

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
- 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 Unemployment Insurance benefits, the NYS Department of Labor first determines that person's entitlement to Unemployment Insurance and benefit rate. We base this on the wages employers report on the quarterly reporting forms NYS-45.

If we determine that an individual is entitled to Unemployment Insurance benefits, we send a Notice of Potential Charges (LO 400) to all employers whose experience rating accounts might be charged for the Unemployment Insurance benefits the person may receive. If you see any discrepancies in wage or possible disqualifying information, and in order to ensure a complete credit to your account, you **MUST** return the LO 400 within the timeframe prescribed on the notice with any corrected wages and/or information that may affect the claimant's eligibility or charges to your account. 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' rates and delay Unemployment Insurance benefit payments to the claimant.

Unemployment Insurance Rate

You pay Unemployment Insurance contribution on earnings (including the cash value of room and board) you pay to each employee in a calendar year up to the Unemployment Insurance wage base. We compute your Unemployment Insurance 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 reports
- How promptly you pay Unemployment Insurance contributions
- The amount of Unemployment Insurance benefits paid to former employees based on their employment with you and
- The balance in the State's Unemployment Insurance Fund

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

The Unemployment Insurance benefits received by your former employees may increase your future Unemployment Insurance 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 contributions 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 address on the front of this guide 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 FUTA.

Employee's Name	Employee's S. S. Account Number
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First Quarter				Second Quarter				Third Quarter				Fourth Quarter			
Week Ending Date (Sunday)	Hours Worked	WAGES		Week Ending Date (Sunday)	Hours Worked	WAGES		Week Ending Date (Sunday)	Hours Worked	WAGES		Week Ending Date (Sunday)	Hours Worked	WAGES	
		Cash	Board And Lodging			Total Weekly Wages	Cash			Board And Lodging	Total Weekly Wages			Cash	Board And Lodging
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 Division. Keep it for four years, and have it available for review by the Unemployment Insurance Division, if requested.