



Annual Filer Fact Sheet

Background

New Legislation

- Æ The District of Columbia has passed legislation allowing employers of household employees to file their contribution and wage reports once a year rather than quarterly. Annual reports and payments are due on or before April 15 following the report year.
- Æ This legislation applies to wages paid starting in 2002.

Key Facts about Annual Filing

Who May File

You may file annually if you are in either of these two categories:

- Æ You file federal employment taxes on IRS Schedule H.
- Æ You are not required to file federal employment taxes because you do not meet the IRS threshold, but you **do** meet the District of Columbia threshold of payments of \$500 in wages to household employees in a calendar quarter.

Still Responsible for Quarterly Data

Even though you may file your contribution and wage report on an annual basis, your annual report must include a breakout of wages paid to each employee in each quarter of the year. You must also report the number of employees on your payroll during each month of the year.

If one or more of your separated workers applies for unemployment benefits, we may send you a notice asking you to report that worker's quarterly wages, even though your annual report is not yet due. This quarterly wage information is needed to determine your former employee's monetary eligibility for unemployment benefits.

Tax Rate

Your tax rate for the first year you report annually will be the same as if you were filing on a quarterly basis. For the next year, a small percentage of employers will see an increase in tax rates. If your reserve ratio is 10% or higher, you are unlikely to see any change in your rate. Your reserve ratio is printed on your annual Tax Rate Notice.

FUTA Tax Credit

If your annual report, due April 15, is filed late, you will lose the 90% credit against your federal taxes that the IRS grants to employers who file State unemployment taxes on time.



Key Facts about Annual Filing (continued)

Fiscal Agents If you now use a fiscal agent, payroll service, or accountant to file your reports, you should check with them to determine if they can accommodate annual filing for you.

Change Æ You can switch between annual and quarterly filing schedules, but only at the beginning of a calendar year.

How to Make Your Choice

Filing Schedule Selection Complete the *Filing Schedule Selection* form, which is included as the last page of this information package, and return it to the Department of Employment Services.

Due Date *Your Filing Schedule Selection form must be received by February 25, 2002, if you wish to file annually for 2002.*

Quarterly Filers If you do not wish to file annually, you do not need to return the Filing Schedule Selection form. You will then remain on a quarterly filing schedule.

How to Report Annually

Worksheet A 2002 worksheet is enclosed to help you keep track of the wages you pay to each employee during each quarter of the *current year*, and the number of employees on your payroll each month.

UC-30H Form We will send you an annual UC-30H form in January of each year to report both the wages you paid during each quarter of the *prior year* and the number of employees on your payroll each month.

Report Due Date Your report and payment are due on or before April 15 following the report year.

Questions Please call 202-698-7550, if you have any questions about annual filing.
