

# Employer's Guide to **Unemployment Insurance**

This guide is not intended to take the place of the law, but to provide you with a general understanding of some of the requirements. This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

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# Contact Directory

Contact the Internal Revenue Service to obtain a Federal Employer Identification Number and a free packet entitled

## **Your Business Tax Kit.**

### **Internal Revenue Service**

1616 Capitol Ave  
Ste 440 MS 5410  
Omaha, NE 68102

**Tax questions:** 800-829-1040

**Forms/brochures:** 800-829-3676

**[www.irs.gov](http://www.irs.gov)**

For details on state and local tax incentives and requirements, contact:

### **Nebraska Department of Revenue**

301 Centennial Mall South  
P.O. Box 94818  
Lincoln, NE 68509-4818

402-471-2971

800-742-7474

**TDD:** 402-741-5740

**[revenue.nebraska.gov](http://revenue.nebraska.gov)**

For current registered federal and state(s) trademarks, contact:

### **Existing Business**

**Assistance Division:** 402-471-3782

### **Nebraska Department of Economic Development**

P.O. Box 94666

245 Fallbrook Blvd, Suite 002

Lincoln, NE 68521

402-471-3111 or 800-426-6505

**[opportunity.nebraska.gov](http://opportunity.nebraska.gov)**

To register state trade names, trademarks, and corporation names, contact:

### **Secretary of State**

P.O. Box 94608  
State Capitol, Suite 2300  
Lincoln, NE 68509-1608

**Corporation Division:** 402-471-4079

**Rules & Regulations:** 402-471-2385

**[sos.nebraska.gov](http://sos.nebraska.gov)**

### **Unemployment Insurance Tax**

#### **Nebraska Department of Labor**

550 South 16th  
P.O. Box 94600  
Lincoln, NE 68509-4600  
Help Line: 402-471-9898  
TDD: 800-833-7352

**[NEworks.nebraska.gov](http://NEworks.nebraska.gov)**

### **New Hire Reporting**

#### **Nebraska State Directory of New Hires**

P.O. Box 144013  
Austin, TX 78714-4013  
888-256-0293

**[newhire-reporting.com](http://newhire-reporting.com)**

### **Workers' Compensation Insurance Requirements**

#### **Workers Compensation Court**

P.O. Box 98908  
State Capitol Building  
Lincoln, NE 68509-8908

**[www.newcc.gov](http://www.newcc.gov)**

402-471-6468

For details on labor laws and wage and hour information, contact:

#### **Nebraska Department of Labor**

##### **Labor Standards**

402-471-2239

**[dol.nebraska.gov](http://dol.nebraska.gov)**

### **Contractor Registration**

#### **Nebraska Department of Labor**

550 South 16th Street  
Lincoln, NE 68508  
402-471-2239

Fax: 402.471.5039

**[dol.nebraska.gov](http://dol.nebraska.gov)**

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## Forms

PDFs of the following unemployment insurance forms can be found online at:

**[dol.nebraska.gov/UITax/Announcements/FileTransfersTaxForms](http://dol.nebraska.gov/UITax/Announcements/FileTransfersTaxForms)**

- Application for an Unemployment Insurance Tax Account Number
- Combined Tax Report
- Wage Report
- Adjustments
- Application for Combined Tax Refund
- Employer's Report on Change of Ownership
- Employer's Notice of Change
- Power of Attorney

# Employer Liability

## Who is a Liable Employer?

A liable employer is an individual or type of organization including any partnership, association, trust, estate, corporation, limited liability company or governmental agency who employs people and meets the coverage provisions of the Nebraska Employment Security Law. *Neb. Rev. Stat. § 48-603*

A “**contributory employer**” is a liable employer who is required to pay quarterly combined tax, which consists of contributions and state unemployment insurance tax on wages at the applicable combined tax rate. *Neb. Rev. Stat. § 48-648*

A “**reimbursable employer**” is a liable employer who elects to make payments in lieu of combined tax. Such an employer is required to reimburse the agency for benefits paid to former employees. The reimbursing employer option is available only to governmental entities and nonprofit organizations with a 501 (c)(3) IRS exempt status. *Neb. Rev. Stat. § 48-660.01(2)*

## Application for an Unemployment Insurance Account Number

Every employer who begins operations in this state and employs a person or persons is required to file an Application For An Unemployment Insurance Account Number (UI Form 1) even though such an employer may not be liable to the Law. *Neb. Rev. Stat. § 48-612*. Upon receipt of the completed form, a determination of the employer’s liability is made.

An appeal for review from the liability determination may be made to the Commissioner of Labor within 30 days from the date the determination is mailed. *Neb. Rev. Stat § 48-650*

Employers can apply for an unemployment insurance account number online at [NEworks.nebraska.gov](http://NEworks.nebraska.gov).

Questions about this process can be directed to 402-471-9898.

## How is Liability Established?

An employer becomes liable under the following circumstances:

*Neb. Rev. Stat. § 48-603*

## General business employers:

1. Employs one or more persons in covered employment on a day in 20 different calendar weeks in a calendar year (such weeks need not be consecutive).
2. Paid gross wages for employment in the total sum of \$1,500 or more in any calendar quarter in a calendar year.
3. Acquired the organization, trade or business, or substantially all the assets thereof, of another employer which at the time of acquisition was an employer subject to the Law.
4. Acquired the organization, trade or business, or substantially all the assets thereof, of another employer, not subject to the Law, and which if subsequent to such acquisition it were treated as a single unit with such other employer, who had in its employ one or more persons on a day in 20 different calendar weeks in a calendar year, or had paid gross wages of \$1,500 or more in a calendar quarter.
5. An employer not otherwise subject who has employment in this state and is liable under the provisions of the Federal Unemployment Tax Act (FUTA).

*Neb. Rev. Stat. § 48-603 (7)*

## Employers of domestic (household) workers:

With respect to services performed in domestic services in a private home, on the farm, local college club or local chapter of a college fraternity or sorority if the employer has paid cash wages of \$1,000 or more in any calendar quarter in a calendar year. *Neb. Rev. Stat. § 48-604 (4)*

## Employers of agricultural workers:

1. With respect to services performed in agricultural employment for an employer if such employer employs 10 or more workers on a day in 20 different calendar weeks in a calendar year. *Neb. Rev. Stat. § 48-604 (4)*
2. With respect to services performed in agricultural employment for an employer who has paid cash wages of \$20,000 or more in a calendar quarter in a calendar year. *Neb. Rev. Stat. § 48-604 (4)*

## Nonprofit organizations (501(c)(3))

For services performed for an organization that is exempt under Section 501 (c)(3) of the Internal Revenue Code and has had in its employ four or more individuals for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive, within a calendar year (these organizations have the option to become liable on a reimbursable basis).

*Neb. Rev. Stat. § 48-604 (4)*

## Governmental entities:

With respect to any services performed in the employ of this state or any of its instrumentalities, or any political subdivision thereof. (These employers have the option to become liable on a reimbursable basis.)

*Neb. Rev. Stat. § 48-649.04*

## Voluntary Election:

Employing units not meeting the foregoing conditions, may elect to cover workers for unemployment insurance upon approval by the Commissioner of Labor. Such election will include all employment during the calendar year and will continue to be in effect for at least two complete calendar years.

*Neb. Rev. Stat. § 48-661 (3)*

## Employee Leasing

Employee leasing companies or professional employer organizations (PEOs) are required to report wages and pay combined tax for client workers under the account number for the client. Worksite employees are considered to be employees of the client for purposes of the Employment Security Law.

*Neb. Rev. Stat. § 48-648(5)*

## Period of Liability

Liability of an employer is determined on a calendar year basis. This means that if an employer becomes liable during any calendar quarter, they are liable for the entire year and the following year. *Neb. Rev. Stat. § 48-661*. Combined tax is due for wages paid for the entire year up to the taxable wage base for the year.

## Termination Of Liability

Once an employer is determined liable, liability is continuous.

To terminate coverage, a **General Business Employer** must not have in their employ one or more persons in 20 different weeks and not have a payroll of \$1,500 in any calendar quarter. Both conditions must be met to terminate liability. Written application to terminate must be filed on or before January 31 following such year. *Neb. Rev. Stat. § 48-661 (2)*

**Nonprofit Organizations** exempt under Section 501(c)(3) of the Internal Revenue Code must complete a full calendar year in which they did not employ four or more persons in 20 different calendar weeks. *Neb. Rev. Stat. § 48-661 (2)(b)*

An **Agricultural Employer** must not have in their employ 10 or more persons in 20 different weeks and must not pay cash wages of \$20,000 or more during any calendar quarter in order to terminate coverage. Both conditions must be met to terminate liability. *Neb. Rev. Stat. § 48-661 (2)(c)*

For a **Domestic Employer** to terminate coverage, a calendar year must be completed during which cash wages of \$1,000 or more were not paid in a calendar quarter. *Neb. Rev. Stat. § 48-661 (2)(d)*

When an employer no longer has persons in their employ, they cease to be liable to unemployment insurance tax and the account will be terminated one year after employment ceases. The account must be reinstated if the employer again has employment within one calendar year after termination. If liability requirements have been reestablished, the account may be reinstated by written application if the employer again has employment within two calendar years after termination.

*Neb. Rev. Stat. § 48-652 (4)*

## Contributory vs. Reimbursable

Nonprofit organizations who have received a tax exemption under Section 501(c)(3) and governmental entities have the option of becoming liable to unemployment insurance on a contributory or reimbursable basis. A contributory employer pays quarterly unemployment insurance combined tax at an assigned rate based on experience. A reimbursable employer repays the agency for all benefits paid to former employees.

Before an eligible employer makes a decision regarding their employer category, consideration should be given to the factors in the table above.

## Comparison of Advantages and Disadvantages of a Contributory or Reimbursable Employer

Employer Category	Advantages	Disadvantages
<b>Contributory</b>	<ol style="list-style-type: none"> <li>1. Expenses are limited to the amount of taxable wage base multiplied by the employer's tax rate.</li> <li>2. It is easier to budget unemployment insurance expense because it is more predictable.</li> <li>3. Contributory employers can receive non-charging of benefits status in some situations.</li> <li>4. Contributory employers are eligible for reduced tax rates.</li> <li>5. Benefit overpayments are credited to the account as soon as they are established.</li> </ol>	<ol style="list-style-type: none"> <li>1. There may be some unemployment insurance expense each year even if no benefits are paid.</li> <li>2. The employer must calculate and report gross, excess, and taxable wages on each quarterly combined tax report.</li> </ol>
<b>Reimbursable</b>	<ol style="list-style-type: none"> <li>1. If benefits are not charged to your account, the employer pays nothing for the quarter.</li> <li>2. There is no need to calculate excess wages and taxable wages on quarterly combined tax report forms. Reimbursable employers will still have to file a quarterly report showing number of employees and gross wages paid as well as completing a wage report.</li> </ol>	<ol style="list-style-type: none"> <li>1. Heavy expenses could be incurred in one quarter—up to 13 times the employee's weekly benefit amount or more.</li> <li>2. Reimbursable employers cannot be granted non-charging. This means <i>all</i> benefits paid out must be reimbursed by the employer.</li> <li>3. Benefit overpayments are not credited to your account until collection has been received from the claimant.</li> </ol>

### Changing Categories

A nonprofit or governmental organization that has elected to become a reimbursable employer for payments in lieu of combined tax must continue to occupy such status until it files a written notice terminating its election to be reimbursable not later than 30 days prior to the beginning of the taxable year for which such termination is to be effective.

*Neb. Rev. Stat. § 48-660.01(2)(c)*

Benefits paid on subsequent claims that include any quarter within the base period that is prior to the effective date of termination of the election shall be chargeable to the reimbursable account of such employer and such employer shall continue to be liable to reimburse such benefits paid after the date of termination. *Neb. Rev. Stat. § 48-649.04(4)*

If an employer elects to change from reimbursable to contributory, the employer would be liable for combined tax payments as well as potential reimbursable charges for a period of time. *Neb. Rev. Stat. § 48-649.04(4)*

A nonprofit or governmental organization which has been paying combined tax may change to a reimbursable basis by filing not later than 30 days prior to the beginning of any taxable year written notice of election to become a reimbursable employer. Such election is not terminable for a period of two years. *Neb. Rev. Stat. § 48-660.01 (2)*



# Employment & Wages

## What is Employment?

The term “employment” is defined as all services or work performed in Nebraska including temporary work except those services which are *specifically exempt* as follows:

### *Neb. Rev. Stat. § 48-604*

1. Casual labor not in the course of any employer’s trade or business performed in any calendar quarter, unless the cash remuneration paid for such service is \$50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service.
2. Family employment-service rendered by an individual in the employ of their son, daughter, or spouse, or a child under the age of 21 in the employ of their father or mother. This applies only to sole proprietorships and partnerships where the relationship of the family member is the same for each partner.
3. Service performed for church or an organization operated primarily for religious purposes and is operated by a church or an association of churches.
4. Service performed by a minister in the exercise of the ministry or by a member of a religious order in the exercise of the duties required by such order.
5. Service performed for 501(c)(3) nonprofit or governmental organizations by employees in a sheltered workshop if the earning capacity of such employees is impaired.
6. Service performed for 501(c)(3) nonprofit or governmental organizations as a part of an unemployment work relief or work training program assisted or financed in part by a governmental agency.
7. Services of patients in hospitals.
8. Services performed by a student or spouse in the employ of a school, college, or university; if such services are performed by a student enrolled, regularly attending classes at, and working for such school, college or university pursuant to financial assistance arrangement with such school, college, or university or by the spouse of such student provided such spouse was employed to provide financial assistance to the student enrolled in a school, college, or university.
9. Service performed by a student nurse or intern if performed as a part of a training program.
10. Services performed by a real estate or insurance agent if all such service is performed for remuneration solely by way of commission.
11. Services performed by an individual under the age of 18 in delivery or distribution of newspapers.
12. Services performed by an individual in an arrangement under which newspapers and magazines are all sold at a fixed price and the compensation is based on the retention of the excess of such price over the cost.
13. State and local governmental services performed by elected officials, members of legislative and judicial bodies, members of Army National Guard, Air National Guard, temporary employees hired for storm emergencies or similar situations, as advisory or policy making employees working eight hours or less per week.
14. Services performed at a custodial or penal institution by inmates.
15. Service performed by an owner-operator and driving a truck for a motor carrier.
16. Service performed by a home worker processing data for a business engaged in compilation of marketing data bases.
17. Service performed by an individual as a voluntary research subject who is paid on a per study basis for scientific, medical or drug related testing. This does not apply to governmental entities or organizations as described in Section 501(c)(3) of the Internal Revenue Code of 1954.
18. Services for which academic credits are given, performed by an individual who is a student enrolled in a full-time program, at a nonprofit or public school.
19. Service performed by a direct seller if engaged in the trade or business of selling or soliciting the sale of



consumer products or services to any buyer on a buy-sell basis or deposit-commission basis for resale, by the buyer or any other person in the home or other than in a permanent retail establishment; or engaged in the trade or business of selling or soliciting the sale of consumer products or services in the home or other than in a permanent retail establishment.

20. Service performed or a participant of AmeriCorp.
21. An election official or election worker if the amount of remuneration received by the individual during the calendar year for services as an election official or election worker is less than \$1,000.

## Independent Contractors

### Contract Labor

To consider any individual an independent contractor, it must be shown to the satisfaction of the Commissioner of Labor that:

#### *Neb. Rev. Stat. § 48-604 (5)*

- a. Such individual has been and will continue to be free from control or direction over the performance of such service, both under contract of service and in fact,
- b. Such service is either outside the usual course of the business, or such service is performed outside of all the places of business of the enterprise for which service is performed, and
- c. Such individual is customarily engaged in an independently-established trade, occupation, profession, or business.

All three parts of the above must be met to be considered Contract Labor. The provisions of this subdivision are not intended to be a codification of the common law and shall be considered complete as written.

### Wages Defined

The term "wages" means payment for services rendered for an employer who is liable to the Nebraska Employment Security Law. Wages include all payments for services including commissions, bonuses, tips, reasonable value of meals and lodging, or any other form of payment. ***Neb. Rev. Stat. § 48-602 (35)***

- Tips are reported to the extent they are reportable under

6053(a) of the Internal Revenue Code. Employee reports tips on Form 4070.

- Payments for sickness or disabilities are reportable. This includes payments made by a third party who make an accounting to you.
- Deferred payments under a 401K Plan deducted from the workers wages are reportable.
- Officers of a corporation (including sub-chapter S) who perform services and receive remuneration must be reported.
- Cash value of commodities not intended for personal consumption.

### Wages in lieu of money:

- a. If board, lodging or any other payment in kind considered as payment for services performed by a worker is in addition to or in lieu of (rather than a deduction from) monetary wages, the Commissioner determines or approves the cash value of such payment in kind, and the employer shall use the cash values in computing contributions due under the law. ***NAC 220, Chapter 2***
- b. Where a cash value for board and lodging furnished a worker is agreed upon in any contract of hire, the amount so agreed upon shall, if more than the rates prescribed herein, be deemed the value of such board and lodging. ***NAC 220, Chapter 2***

### Excluded Wages:

1. Remuneration paid in excess of taxable wage base to an employee during a calendar year. The taxable wage base is \$9,000. Wages paid by an employer for services performed in another state or wages paid by the predecessor employer may be used in determining wages in excess of the taxable wage base. ***Neb. Rev. Stat. § 48-648.02***
2. Payments received under a workers' compensation law.
3. Directors' fees if customary and reasonable.
4. Deduction from workers' wages for benefits under a cafeteria plan (IRS Section 125).

## Required Records

Every individual or organization if employing even one person is required to keep records and upon request make reports to the Office of Unemployment Insurance. *Neb. Rev. Stat. § 48-612*. Records with respect to employment performed must be preserved for a period of not less than four calendar years after the calendar year in which the wages were paid or if not paid were due. The employer may maintain records in any manner provided the records will show:

### For Each Worker

- Name and social security number
- The residence of each employee
- Place or places in which the employee's services were performed
- Date on which the employee was hired, rehired, or returned to work after temporary layoff and date separated from work
- The amount of gross wages paid to the employee and the period for which paid, showing separately
  1. Cash wages, including special payments
  2. Reasonable cash value or remuneration in any medium other than cash

### General Payroll

- Beginning and ending dates of each pay period
- Total amount of wages paid and total amount paid in each calendar quarter
- Date in each calendar week on which there was the largest number of such workers *NAC 221, Chapter 1*

Each employer shall make such reports as are prescribed on forms issued and required by the Commissioner of Labor. The instructions accompanying any such report forms shall have the force and effect of regulations issued in accordance with the provisions of the *Nebraska Employment Security Law. Neb. Rev. Stat. § 48-648(6)*

## Addresses

Each employer's account has the capability of carrying multiple addresses. For example, an employer desiring to have tax information sent to one address and the request for benefit separation information to another address may do so by contacting the unemployment tax helpline at **402-471-9898**.

### Nebraska Department of Labor

#### Attn: Unemployment Insurance Tax Status Unit

P.O. Box 94600

Lincoln, NE 68509

# Reporting & Paying

## Unemployment Insurance Combined Tax

### New Employer Rates

Employers who are not eligible for experience rating are assigned a combined tax rate which will vary each year. For non-construction employers the rate will be the lesser of the state's average tax rate or 2.5%. For employers in the construction industry the combined tax rate will be equal to the rate assigned to category 20 in the rate schedule. The rates for all 20 categories as well as the state average tax rate are determined in December each year. Employers must have reported wages in each of the two four-quarter periods ending September 30 to be eligible for experience rating.

*Neb. Rev. Stat. § 48-649.02*

### Taxable Wage Base

The taxable wage base for employers in UI Tax Categories 1 through 19 is \$9,000. Employers pay tax on the first \$9,000 earned by every worker during the calendar year. Category 20 employers will pay on the first \$24,000 earned by every worker during the calendar year.

### Computing Combined Tax Due

Once you have an active account established, your quarterly Combined Tax Report will be mailed to you automatically at the end of each calendar quarter. Each contributory employer, including domestic employers, is required to file a Combined Tax Report form for each calendar quarter with payment of any amount due. All combined tax due is payable by the employer and is not withheld from employee wages.

*Neb. Rev. Stat. § 48-648(1)*

The Combined Tax Report you receive will have your combined tax rate preprinted on the form.

When you are determining the amount of combined tax to pay for any given quarter, you must calculate the excess and taxable wages for each employee. Once the employee reaches their maximum wage base for the calendar year, their remaining wages are excess wages for the remainder of the calendar year.

Once gross, excess, and taxable wages are calculated for each employee, the totals are transferred to the quarterly Combined Tax Report (lines 2,3, and 4 of the form). Multiply taxable wages by the tax rate printed on the report and send the Combined Tax Report, Wage Report and payment so they are received by the due dates as shown in the table on page 13.

If a contributory employer fails to file a report, the Commissioner of Labor may assess the combined tax payable on the basis of available information and shall collect combined tax on that basis. *Neb. Rev. Stat. § 48-656*

An employer who has elected to make payments in lieu of combined tax is required to file an Employers Combined Tax Report (UI-11T) for each calendar quarter. The monthly employment data reported should be a count of all full-time and part-time workers who worked during or received pay (subject to Unemployment Insurance taxes) for the payroll period which includes the 12th of the month.

Employers with a payroll exceeding \$100,000 in either of the two previous years are expected to file reports and pay electronically. *Neb. Rev. Stat. § 48-648(2)*

### Electronic Reporting and Payment — NEworks

NEworks allows employers to file and pay their quarterly unemployment insurance tax and wage reports online. Once the employer completes an initial wage report with the employees' names and social security numbers, this information will be retained and will not need to be reentered in following quarters. A file transfer protocol (FTP) option is available and is convenient for larger employers. Specifications for formatting an FTP file are found online at [dol.nebraska.gov/UITax](http://dol.nebraska.gov/UITax).

To access NEworks, go to [NEworks.nebraska.gov](https://NEworks.nebraska.gov).  
File reports using your account number and password.

Once the wage information is entered, NEworks will make all mathematical computations including excess wages for each employee and total tax due. At the conclusion of filing, the employer may choose to pay electronically through EFT (electronic funds transfer) or print a voucher and mail a check to the address on the voucher. NEworks offers additional features including: applying for a tax account number, amending reports, paying delinquencies or updating the name and address for your account.

### Quarterly Wage Reports

Wage reports are required from all types of employing entities including the private sector, nonprofit and governmental entities. Nonprofit organizations and governmental entities are required to file wage reports regardless of whether they finance their unemployment costs through the contributory method or through the reimbursement method. *Neb. Rev. Stat. § 48-648(6)*

#### Wage Reporting Example

Individual paid \$2,000 per month with a taxable wage base of \$9,000.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year Total
Gross Wages	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000
Excess Wages	\$0	\$3,000	\$6,000	\$6,000	\$15,000
Taxable Wages	\$6,000	\$3,000	\$0	\$0	\$9,000

#### Reporting Deadlines

	Months	Due Date
Quarter 1	Jan., Feb., Mar.	Apr. 30
Quarter 2	Apr., May, Jun.	Jul. 31
Quarter 3	Jul., Aug., Sep.	Oct. 31
Quarter 4	Oct., Nov., Dec.	Jan. 31

The wage report includes three required items and two optional items:

1. Social Security Number
2. Last name followed by first and middle initials
3. Total gross wages paid during the quarter
4. Hours paid in quarter (optional)
5. Primary job title (optional)

Employers using computer printouts or supplemental sheets for wage reports should format their document to replicate the Wage Report form.

The employer's account number, filing year, filing quarter, and page number should be included in the heading of the document.

Employers with a payroll exceeding \$100,000 in either of the two previous years are expected to file reports and pay electronically.

*Neb. Rev. Stat. § 48-648(6)*

### Interest on Delinquent Combined Tax

Combined tax is due on the first day and delinquent after the last day of the month following the end of the calendar quarter to which it applies. Interest will be charged on delinquent combined tax at the rate of 1.5 percent a month from the delinquent date to the date paid.

Payments in lieu of combined tax to be made by reimbursable employers are due when billed and are delinquent 30 days from the date the request is made for reimbursement. Interest will be charged at the rate of 1.5 percent a month from the date payments are delinquent until paid.

*Neb. Rev. Stat. § 48-655*

A delinquent statement is mailed to employers on the 15th of the month if there are any delinquent reports, taxes, interest or penalties.

**NOTE:** Any employer who has not submitted all quarterly tax reports when rates are calculated in late November will be assigned the highest tax rate for the following year. The tax rate will be adjusted if the missing report(s) is received by December 31. Be sure to submit all reports timely – even if you are not able to pay the tax due.

## Penalty on Delinquent Combined Tax and Wage Reports

Employers will be penalized when they, or their agents, fail to file a required quarterly combined tax report and wage report by the tenth day of the second month following the quarter. The penalty assessed will be equal to 0.1% of the total gross wages paid during the quarter, but not less than \$25 nor more than \$200.

*Neb. Rev. Stat. § 48-656 (3)*

## Claims for Adjustment or Refund

If combined tax, penalty or interest is overpaid by an employer, proper adjustments with respect thereto are made in connection with subsequent combined tax by credit memorandum. If such overpayments cannot be applied within a reasonable

time, the overpayments are refunded. Claims for refund should be made on the Application for Contribution Refund and must be made within four years of such overpayment.

*Neb. Rev. Stat. § 48-660*

## State Unemployment Insurance Tax (SUIT)

SUIT can be triggered on or off on an annual basis. The SUIT rate can be set anywhere between 0% and 20% of combined tax due as determined by the Commissioner of Labor each year. *Neb. Rev. Stat. § 48-649.01(3)*. The SUIT portion is collected and deposited into a special reserve fund—the State Unemployment Insurance Trust Fund. This fund is to be used as a reserve to pay unemployment benefits only and will be used if needed by the Unemployment Trust Fund. The interest earned on the State Unemployment Insurance Trust Fund is used to fund worker training programs.

When SUIT rate is zero, all combined tax paid will be considered contributions and credited to an employer's reserve balance. Employers receive credit in their reserve balance for the contribution portion of combined tax but not for the SUIT portion. *Neb. Rev. Stat. § 48-652 (2)*

## Contractor Certification as to Combined Tax Status

Any contractor who has completed a public contract is furnished, upon request and without cost, a statement as to his or her standing with respect to combined tax, penalty, or interest due the Unemployment Compensation Fund. A Nebraska Certification as to Contribution Status, will be issued if the contractor has paid all combined tax, penalty and interest due. Under the Employment Security Law, public agencies are required to withhold final settlement with contractors until such a certification is furnished. *Neb. Rev. Stat. § 48-657 (4)*

## Annual Federal Unemployment Tax Returns

If an employer meets the criteria to pay combined tax, they generally are required to file a Form 940 with the IRS. This is the annual FUTA (Federal Unemployment Tax Act) return filed January 31 of each year. Domestic employers file a Schedule H with their annual 1040 to show domestic workers. Employers who pay their Combined Tax timely and in full will receive maximum credit against the Federal Unemployment Tax liability. Reimbursable employers are not required to file a Federal Unemployment Tax Return.

**NOTE:** The FUTA taxable wage base is \$7,000, and Nebraska's taxable wage base is \$9,000 for categories 1-19 and \$24,000 for category 20 employers.

# Experience Rating

## Introduction

Each legal entity must have a separate experience rate account. *Neb. Rev. Stat. § 48-652(1)(a)*. Experience rates are calculated annually based on the account's experience with regard to their reserve balance and average taxable wage. An appeal on this rate determination may be made within 30 days of the date of the Combined Tax Rate Notice in accordance with *Section 48-650* of the *Nebraska Employment Security Law*.

## New Employer Rate

Employers who are not eligible for experience rating are assigned a combined tax rate which will vary each year. For non-construction employers the rate will be the lesser of the state's average tax rate or 2.5%. For employers in the construction industry the combined tax rate will be equal to the rate assigned to category 20 in the rate schedule. The rates for all 20 categories as well as the state average tax rate are determined in December each year. Employers must have reported wages in each of the two preceding four-quarter periods ending September 30 to be eligible for experience rating.

## Experienced Employer Rates

In order to be eligible for a lower rate, an employer's account must meet two statutory standards. These standards provide that:

1. Benefits could have been payable from and chargeable to the account throughout the preceding one calendar year and
2. Wages for employment have been paid by the employer in each of the two preceding four-calendar-quarter periods.

Employers who meet these two requirements are eligible for reduced combined tax rates according to the schedule in use. *Neb. Rev. Stat. § 48-649.03*

## The Rate Setting Process

Unemployment insurance tax rates are based on each employer's individually calculated reserve ratio. The process of setting rates is driven by mathematical calculations. For new employers, statute requires a minimum established tax rate based upon the type of industry. Rates for the following year are calculated and mailed during December each year.

The rate setting process consists of three parts. First, the target revenue for the next year is determined. This amounts to benefits paid adjusted by a factor which increases or decreases this amount based upon the health of the trust fund. Second, a state average tax rate is calculated and each of the 20 rate categories is assigned a rate as a defined percentage of the state average tax rate. Third, employers are arrayed into the 20 categories by individual reserve ratios, with each of the 20 categories limited to five percent of the state's total taxable wages.

## Voluntary Contributions and Combined Tax Rate Notices

Complete experience rating information is sent to all subject employers in December of each year. This information includes the computed combined tax rate for each employer for the ensuing year. In addition, information is furnished indicating the amount of voluntary contribution that will be required to attain the next lower rate. If the next lower rate is desired, the appropriate voluntary contribution must be made on or before January 10 for the voluntary to be applied to the current calendar year. Employers are limited to voluntary payments to reduce tax rate by one category. *Neb. Rev. Stat. § 48-649.03(6)*

# Transfer of Experience

## What is a Transfer?

A transfer of a previous owner's (predecessor's) experience account puts the new owner (successor) into a position of receiving a "hand off" of the existing business's experience account.

A transfer of a predecessor's experience account can have advantages and disadvantages for the successor. The advantages include an existing reserve balance in the account that can qualify the employer for a reduced tax rate immediately. The primary disadvantage is that the successor employer becomes liable for any benefit charges for current and former employees of the business – even those who may have separated before the business was acquired. Recent or future claims for such charges can affect the successor's combined tax rate for years. For this reason a successor must carefully consider the potential liability for current or future claims before making the application to acquire the experience account of a predecessor. *Neb. Rev. Stat. § 48-654*

A transfer of experience account can be either a full transfer if the entire business was acquired or it can be a mandatory partial transfer if the successor acquired an identifiable and segregable portion of the predecessor's business and substantial common ownership exists between the predecessor and successor. *Neb. Rev. Stat. § 48-654.01(2)*

## How to Apply for a Transfer

To apply for or reject a transfer the successor completes an application for an unemployment insurance account number within 120 days of the date of transfer. Generally,

a successor unrelated in a business sense to the predecessor has the option of electing to accept or reject the transfer of the predecessor's experience account. The predecessor completes an Employer's Report on Change of Ownership form.

An employer who acquires the organization, trade or business or substantially all the assets of another contributory employer subject to the Law shall notify the agency by registered or certified mail not later than five days prior to the date of acquisition. Unless such notice is given, the successor employer may be liable for the unpaid combined tax, penalty and interest of the predecessor. *Neb. Rev. Stat. § 48-658*

If an employer transfers its trade or business or a portion to another employer and there is substantial common ownership, management or control of the two, then the transfer of experience account is mandatory. A transfer of a business takes place when some or all of an employer's workforce moves to a new employer continuing the trade or business with the new employer and the transferring employer no longer performs the trade or business with respect to the workers moved. *Neb. Rev. Stat. § 48-654.01 (2) (a)*

## Controlling Abusive Transfer Practices

An unemployment insurance experience account will not be transferred if a business is acquired solely or primarily for the purpose of obtaining a lower combined tax rate. *Neb. Rev. Stat. § 48-654.01 (2) (b)*

The Employment Security Law includes civil and criminal sanctions for violating, attempting to violate or advising violation of appropriate experience rating practices.



## Multiple Entities in a Single Business

When an employer has one Federal Identification Number, but operates two or more entities with separate liability requirements, the agency will establish a master tax account number. Each one of these separate entities (reporting units) will have a subsidiary tax account number established under the master tax account number. This process allows for maintaining accurate labor statistics. For experience rating purposes, the master account and all of the reporting units will be considered as one account. A reporting unit may also be assigned to an employing entity based on the employer requesting separate reports.

# Multi-State Employment

## Localized Workers

Individuals who perform all of their service for an employer within Nebraska must be reported to Nebraska, regardless of the state in which the worker resides. *Neb. Rev. Stat. § 48-604*

Individuals localized in Nebraska who occasionally perform temporary work outside of Nebraska that is incidental to their regular work should be reported to Nebraska.

## Multi-state Workers

Individuals who customarily perform services for the same employer in Nebraska and one or more other states and are not “localized” (see above) are referred to as multi-state workers. These workers would be reported to Nebraska :

1. If the employee’s base of operations is located in Nebraska.
2. If there is no base of operations and the place from which the service is directed or controlled is in Nebraska.
3. If the state of coverage cannot be determined by either of the first two tests and the worker performed some service and lived in Nebraska. *Neb. Rev. Stat. § 48-604 (2)*

## Foreign Services

Services performed outside the United States or Canada by a citizen of the United States for an American employer would be covered under the Nebraska Employment Security Law if:

1. The employer’s principle place of business in the United States is located in Nebraska; or
  2. The employer has no place of business in the United States, but:
    - a. The employer is an individual who is a resident of Nebraska; or
    - b. The employer is a corporation which is organized under the laws of Nebraska; or
    - c. The employer is a partnership or trust and the number of partners or trustees who are residents of Nebraska is greater than the number of partners who are residents of any other state; or
    - d. None of the above criteria are met but the employer has elected coverage of the foreign worker.
- Neb. Rev. Stat. § 48-604 (3)*

# Benefit Claims Process

## Initial Claim For Benefits

When an individual first applies for unemployment insurance benefits at [NEworks.nebraska.gov](https://www.nebraska.gov), this is considered an initial claim. Filing an initial claim establishes both the benefit year and the base period for the claim.

## Benefit Year

The benefit year is the period during which the worker may be eligible to receive benefits payments. The benefit year begins the Sunday before the claim is filed, and runs for 52 calendar weeks. There is a maximum of 26 weeks of benefits within a benefit year. There may be less than 26 weeks payable if a disqualification reduces the total unemployment benefit amount. If benefits are exhausted, a new initial claim may not be filed until the benefit year is over. *Neb. Rev. Stat. § 48-602(4)*

## Employment Involved in a Claim

Any employer for whom a claimant has worked since the beginning of the base period may be involved in a claim. Additionally, any period of employment the worker has during the benefit year may result in that employer becoming involved and may affect future charges. *Neb. Rev. Stat. § 48-626*

## Claim Renewal and Additional Employment

A claim renewal occurs when a worker reopens an established benefit claim during a current benefit year. This follows an interruption in the claim due to a period of employment or other reasons for ineligibility. *NAC 221, Chapter 3*

## Requests for Separation Information

Each employer involved in an unemployment claim is sent a request for separation information after the claim is filed.

**Responding to the request is the only opportunity to provide**

**information about the worker's employment and separation which could affect chargeability to the employer's account.**  
*NAC 221, Chapter 3*

Each request lists the last four digits of the Social Security number of the worker who filed the claim, along with other information related to the claim. Employers are required to provide information within 10 days in order to receive potential relief from charges to their experience account in the case of a quit or discharge and maintain appeal rights.

An employer may elect different ways to respond to the Request to separation information: through SIDES (State Information Data Exchange System), [NEworks.nebraska.gov](https://www.nebraska.gov) E-Response, or by mail.

## SIDES

SIDES E-Response is an online system that speeds up the processing of separation information and allows employers to respond by clicking a link their email and uploading supporting documents. This paperless option reduces postage costs and allows for timelier responses.

An employer may receive more than one request for a particular worker if that person returns to work and is separated again. Information on more than one separation may need to be reported in a single response. For example, if the worker was laid off, was rehired, and then later quit or was discharged, both separations would need to be reported. Employers are unable to respond to any requests to the Request to Separation information sent though SIDES after 30 days.

## NEworks E-Response

An employer may respond electronically to the Request to the Separation information even if elected to receive those by the Department via mail.

If separation information is not returned on time, appeal rights will be denied on any adjudicated issue including the employer charging.

## Short-Time Compensation

Short-Time Compensation (STC) assists business retain their workforce during a temporary slowdown in work. The STC program allows employers to voluntarily reduce the hours of staff in lieu of layoffs. Employees of the business are allowed to receive a partial unemployment benefits to help them offset the loss of income. STC plans preserves employees' jobs and the employer's skilled work-force during disruptions to regular business activity by reducing hours of work for an entire group of affected employees rather than laying off some of the employees while others continue to work-fulltime. STC provides a portion of weekly unemployment compensation payment to affected employees whose work weeks have been reduced. STC cushions the adverse effect of the reduction in business activity on workers and ensures that these workers will be available to resume prior employment levels once the business demand increases.

You can reduce employee work hours to reflect decrease in business demand, retain your skilled workers, and avoid the expense of recruiting, hiring and training new employees when the business demand increases. You determine your current production demands and your employees share the work as part of your STC plan. Employees avoid the hardships of full unemployment and continue to earn a portion of their regular wages while receiving some unemployment benefits to replace a portion of their lost wages. For more information:

[dol.nebraska.gov/STC](http://dol.nebraska.gov/STC)

Email: [NDOL.STCLegal@nebraska.gov](mailto:NDOL.STCLegal@nebraska.gov)

*Neb. Rev. Stat. § 48-607; 48-672 through 48-683.*

## Partial Employer Layoffs

The partial mass layoff is used by employers to file initial claims on behalf of their temporary laid off employees in NEworks. In order to use the partial option, the employee must be laid off 16 weeks or less. The claimant will be required to certify on a weekly basis after the claim is submitted by the employer. Certification instructions will be sent via the provided address to the claimant.

## Employer Attachment

In order to be considered attached to a regular job or

industry, an individual must be on a short-term temporary layoff. A short-term temporary layoff is defined as a layoff period of 112 days (16 weeks) or less with an approximate return-to-work date verified by the employer. The 16 weeks are counted from the day the layoff begins until the employer-specified return-to-work date. If the confirmation is not returned by the employer, the claimant will be required to perform reemployment activities.

If an individual in attached status is recalled to work by the employer to which he or she is attached, and actually performs work for that employer for at least 80 paid hours at his or her regular rate of pay, any subsequent layoff from that employer during the originally established benefit year restarts the calculation of the temporary layoff period to which the waiver of the work search requirement applies.

## Request for Extension to Workers Attachment

Due to the abnormal circumstances, employers may submit the Request for Extension to Worker Attachment if the worker does not go back to work within 16 weeks. The request needs to be submitted two weeks prior to the original date of the initial recall date. The request form is an online form located at [dol.nebraska.gov/StatutesAndRegulations/SubmitWorkerAttachment](http://dol.nebraska.gov/StatutesAndRegulations/SubmitWorkerAttachment).

## Request for Wage Information

If the benefit claim becomes an alternate base period claim, a request will be sent to the employer for the purposes of gathering base period wages. A form is mailed only if the employer has not yet reported wages of the worker.

Responding to this request does not replace quarterly tax reporting. **If the employer fails to respond by the due date, an affidavit statement of wages, pursuant to *Neb. Rev. Stat. § 48-626(5)* will be sent to the claimant.** Wages provided by the claimant, and used to establish eligibility, will be final as to amount. Any employer charges assessed will be based upon wage information provided by the claimant. It is, therefore, in the employer's best interest to respond with the requested information by the due date listed in the request.

## Regular Base Period/Alternate Base Period\*\*

Oct Nov Dec	Jan Feb Mar **	Apr May Jun **	Jul Aug Sept **	Oct Nov Dec **	Jan Feb Mar			
	Jan Feb Mar	Apr May Jun **	Jul Aug Sept **	Oct Nov Dec **	Jan Feb Mar **	Apr May Jun		
		Apr May Jun	Jul Aug Sept **	Oct Nov Dec **	Jan Feb Mar **	Apr May Jun **	Jul Aug Sept	
			Jul Aug Sept	Oct Nov Dec **	Jan Feb Mar **	Apr May Jun **	Jul Aug Sept **	Oct Nov Dec

End Box in Each Row Represents Quarter Claim Filed

Shaded Area Represents Regular Base Period Quarters Used to Determine Eligibility

\*\* Represents Alternate Base Period Quarters used to Determine Eligibility

## Base Period/ Alternate Base Period

The base period is the one-year period for which the worker's wages are considered in determining benefit eligibility for an initial claim. The regular base period is the first four of the last five completed calendar quarters before the claim is filed. When eligibility cannot be established for a regular base period claim, the last four completed quarters will be examined as an alternate base period.

***Neb. Rev. Stat. § 48-602(2)***

# Benefit Payment Amounts

## Minimum Earnings for Eligibility

In order to be eligible for unemployment insurance benefits, workers must meet the minimum earnings requirement from insured work during the base period. For 2021, the minimum earnings requirement is \$4,386. The minimum earnings requirement is adjusted annually. In addition to meeting the minimum earnings requirement, workers must also have been paid at least \$1,850 in one quarter and \$800 in another quarter. Wages must have been earned from employers required to pay unemployment insurance taxes (insured employers). ***Neb. Rev. Stat. § 48-627.01(1a)***

## Weekly Benefit Amount

Unemployment benefits are paid on a weekly basis. The maximum weekly benefit amount for 2021 is \$456. Workers' individual benefits are calculated by identifying the highest quarter earnings in your base period. That amount is then divided by 13 to arrive at the average weekly wage, then divided again by two and rounded down to the next even dollar amount to arrive at the weekly benefit amount. ***Neb. Rev. Stat. § 48-624***

No benefits are payable for any week during which a worker's earnings exceed the weekly benefit amount (WBA) on the claim. When a person reports earnings, 25% of their WBA is exempt and the remaining income is deducted dollar for dollar from the WBA. ***Neb. Rev. Stat. § 48-625*** For example: WBA = \$300 Earnings = \$200 25% of WBA exempt = \$75 Remaining amount of \$125 deducted from \$300. Benefits paid = \$175.

## Maximum Benefits Payable

The maximum amount of benefits payable on a claim is one third of the total of all base period wages, or 26 times the weekly benefit amount, whichever is less. This formula does not include the Extended Benefits which may be paid in times of extremely high unemployment. During a State Extended Benefit period, an employer may be charged for half of the maximum benefit amount. ***Neb. Rev. Stat. § 48-626***

## Claim Renewal and Additional Employment

Claim Renewal and Additional Employment A claim renewal occurs when a worker reopens an established benefit claim during a current benefit year. This follows an interruption in the claims series due to a period of employment or other reasons for ineligibility. *Neb. Admin. Code 221, Chapter 3*

## BENEFIT DISQUALIFICATION

Under certain conditions, workers may be disqualified from receiving benefits for weeks that they are unemployed. Some of these conditions are listed below.

### Voluntary Quit

In Nebraska, good cause for quitting includes but is not limited to the conditions of work, compelling health reasons, or quitting to escape spousal abuse. If the Nebraska Department of Labor determines that a person has quit a job without good cause, maximum benefits payable may be reduced when a disqualification is assessed. The disqualified individual will be ineligible for benefits until they meet the following requalification requirements: • Returned to insured work, • Earned at least four times the claim's weekly benefit amount, and • Separated from the most recent employer under non-disqualifying conditions For claims effective prior to October 7, 2018, if a person has quit a job without good cause, a disqualification will be assessed for the week of the quit plus 13 weeks, as determined by the Nebraska Department of Labor. *Neb. Rev. Stat. § 48-628.12*

In Nebraska good cause can be established for quitting a job as well:

- Escape workplace or domestic abuse at the place of employment
- Non-work related illness or injury
- Accompany spouse to a different job or military duty station
- Accept previously secured insured work in the construction industry
- Accept a voluntary layoff to avoid bumping another worker
- Asked to perform an illegal act by the employer
- Unlawful discrimination or workplace harassment
- Unsafe working conditions
- Equity and good conscience *Neb. Rev. Stat. § 48-628.1*

### Discharge For Ordinary Misconduct

If a worker is discharged from a job for misconduct, a disqualification is imposed for the week of the discharge plus 14 weeks, as determined by an adjudicator. In cases of misconduct, the burden of proof is on the employer. The employer must show that the worker was discharged for acts or omissions that:

1. damaged the employer's interests in relation to the employment,
2. the worker knew or reasonably should have known were contrary to the employer's interests, and
3. were willful or within the worker's control. Maximum benefits payable are also reduced when a disqualification is imposed for a discharge for ordinary misconduct. In addition to the 14 week disqualification, if a worker is discharged for being under the influence of alcohol or drugs while at work or on the work site, all wage credits earned as a result of that employment will be canceled. *Neb. Rev. Stat. § 48-628 (2)*

## Discharge For Gross Misconduct

If a worker is discharged for gross misconduct, all benefits payable based on wages earned before the date of discharge for such misconduct are canceled. Gross misconduct is an act or omission that is willful and flagrant or unlawful. Examples might be theft or assault connected with the employment. *Neb. Rev. Stat. § 48-628 (2)*

**Refusal Of Suitable Work** If a worker refuses suitable work, a disqualification is imposed for the week of the refusal plus 12 weeks, as determined by an Adjudicator. There must be a bona fide offer of work by an employer, or referral to work by Employment Services. Suitability is determined by considering the worker's training and experience and the conditions in the labor market. *Neb. Rev. Stat. § 48-628 (3)*

## Receipt Of Other Payments

Certain types of payments are disqualifying or deductible from benefit payments. Such payments include vacation, holiday, bonus, severance, sick, or pension payments from an employer, and Worker's Compensation. *Neb. Rev. Stat. § 48-628 (5)*

## Leave of Absence

To receive unemployment benefits, you must be completely separated from your employer, on a temporary layoff, or working reduced hours. A leave of absence is not a complete separation from employment. As generally defined, a leave of absence is a mutual agreement between the employee and employer. The employee is not separated and does not report for work for a mutually agreed upon time period. The Nebraska Employment Security Law requires a disqualification from benefits for any week in which the individual is on a leave of absence. *Neb. Rev. Stat. § 48-602; Neb. Rev. Stat. § 48-628.08; 219 NAC 8*

## Educational Institution Employees And Athletes

Employees of an educational institution are disqualified from receiving benefits based on their school employment during periods of unemployment between regular school terms if they have a contract or reasonable assurance of such employment for the next regular term. A similar disqualification applies to professional athletes between sports seasons. *Neb. Rev. Stat. § 48-628 (8)*

## Employer Benefit Charges

Benefits paid on a claim are charged in inverse chronological order. That is, the employer who paid the most recent wages is charged for the first benefits paid, if the employer was determined chargeable. Therefore, an employer can receive charges over 1½ years after the former employee worked there. When a claim includes Federal or Military employment, or employment in another state, benefits paid each week are charged on a percentage basis in the same proportion as base period wages from each employer.

A contributory employer who returns separation information by the due date (10 days from the date a request was sent to the employer) may qualify for relief from charges, if it is found that the worker quit voluntarily without good cause or was discharged for misconduct.

Nonprofit employers or government entities with reimbursable accounts cannot qualify for charging relief, even though a disqualification may be imposed exemption may apply for concurrent employment.

*Neb. Rev. Stat. § 48-652, NAC 221, Chapter 3*

### Benefit Eligibility and Disqualifications

Information about the requirements workers must meet to be eligible for benefit payments, as well as benefit disqualification conditions, can be found in the Unemployment Insurance Handbook [dol.nebraska.gov/UIBenefits](http://dol.nebraska.gov/UIBenefits).

# Appeals

A written determination issued by an adjudicator concerning a question of benefit eligibility or charging of an employer's account may be appealed by an employer. An appeal must be in writing, must state that the determination is being appealed, and must be delivered and received within 20 days from the date the determination was mailed.

Appeals may be filed via the following options:

- [NEworks.nebraska.gov](https://www.nebraska.gov)
- Email: [NDOL.Appeals@nebraska.gov](mailto:NDOL.Appeals@nebraska.gov)
- Fax: 402-471-1734
- or Mail:  
Nebraska Appeal Tribunal  
PO Box 98941, Lincoln, NE 68509

Appeals must include a copy of the determination being appealed or the determination ID number, the name and address of the employer, and name and social security number of the worker (if known). Appeals must state the employer's reason for believing that the determination is in error. Neb. Rev. Stat. § 48-634. You may request a reconsideration and possible redetermination based on new information if provided either prior to or in conjunction with your appeal. Requesting a reconsideration of the determination will not delay or extend the statutory 20 day filing requirement for your appeal. *Neb. Rev. Stat. § 48-631.*

Appeals will be heard by an administrative hearing officer. The employer, the claimant, and the Commissioner of Labor are parties to each appeal. Each party may appear, present evidence, and cross examine opposing witnesses. Questions about the appeal process should be directed to the Nebraska Appeal Tribunal at [NDOL.Appeals@nebraska.gov](mailto:NDOL.Appeals@nebraska.gov) or 402-471-9886.

# Program Integrity

## Program and Trust Fund

As the initial guard of the Trust Fund, the Unemployment Insurance Benefits division takes great care to ensure that all laws, rules, regulations and polices are followed as they relate to the processing of benefit claims.

## UI Benefits Unit

In order to prevent, detect and correct errors, Benefits team maintains program and quality control operations. Investigations are done on all eligibility issues on claims using Benefit Timeliness Quality (BTQ) standards.



## Benefit Payment Control

The mission of the Benefit Payment Control Unit (BPCU) is to ensure the correctness of Unemployment Insurance benefit payments and the integrity of the Unemployment Insurance Trust Fund through the prevention, detection, and collection of benefit overpayments.

Whenever a potential conflict of benefits paid and earnings reported or new hire information is detected, an audit form is sent to the employer involved requesting a breakdown of wages. The fact that an audit is sent does not necessarily mean the employer to whom the audit is sent is being charged for benefits paid. An overpayment can not be determined until the earnings information provided by the employer on the audit form can be compared to the benefits actually paid. Employers can respond to audits through the NEworks.

It is critical that information affecting eligibility is reported to the Nebraska Department of Labor, even if you are unsure that the information is relevant.

Email: [NDOL.BPCUContact@nebraska.gov](mailto:NDOL.BPCUContact@nebraska.gov)

Phone: 402-471-2865

Nebraska Department of Labor

Unemployment Insurance: Benefit Payment Control Unit

550 S. 16th Street

P.O. Box 94600

Lincoln, NE 68509-4600

## Internal Security

The Internal Security unit is responsible for maintaining and monitoring all system security issues agency wide.

## Tax Performance System (TPS)

The program monitors the federally-mandated computed measures for Cashiering, Collections, Report Delinquency and Status tax functions. These computed measures provide the state with statistical analysis of the tax system.

TPS measures the timeliness, completeness, and accuracy of primarily internal functions, (status, cashiering, report delinquency, collections, field audits, and account maintenance), performed by the UI Tax operation.

## Benefit Accuracy Measurement (BAM)

Nebraska participates in a national information system to identify the type and cause of Unemployment Insurance benefit payment errors. The Benefit Accuracy Measurement Unit (BAM) randomly selects for audit a specific number of claims each week. A team of qualified investigators verify all data with employers, claimants, and other sources to determine correctness of benefit payments.

Most benefit payments and denials are determined to be proper. When improper payments or denials are discovered, the BAM investigator may make corrections on the claim or forward it to the appropriate unit for corrections.

You may be contacted by BAM staff as part of an audit. Selected employers are required to participate in the investigation pursuant to *Nebraska Employment Security Law 48-612*.

# EQUAL OPPORTUNITY IS THE LAW

It is against the law for this recipient of Federal financial assistance to discriminate on the following bases: against any individual in the United States, on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions), national origin (including limited English proficiency), age, disability, or political affiliation or belief, or, against any beneficiary of, applicant to, or participant in programs financially assisted under Title I of the Workforce Innovation and Opportunity Act, on the basis of the individual's citizenship status or participation in any WIOA Title I—financially assisted program or activity.

The recipient must not discriminate in any of the following areas: deciding who will be admitted, or have access, to any WIOA Title I—financially assisted program or activity; providing opportunities in, or treating any person with regard to, such a program or activity; or making employment decisions in the administration of, or in connection with, such a program or activity.

Recipients of Federal financial assistance must take reasonable steps to ensure that communications with individuals with disabilities are as effective as communications with others. This means that, upon request and at no cost to the individual, recipients are required to provide appropriate auxiliary aids and services to qualified individuals with disabilities.

## WHAT TO DO IF YOU BELIEVE YOU HAVE EXPERIENCED DISCRIMINATION

If you think that you have been subjected to discrimination under a WIOA Title I—financially assisted program or activity, you may file a complaint within 180 days from the date of the alleged violation with either: the recipient's Equal Opportunity Officer (or the person whom the recipient has designated for this purpose):

**State-Level Equal Opportunity Officer**  
**Nebraska Department of Labor**  
550 S. 16th Street  
Lincoln, NE 68508  
**Phone: 402-471-8358 TDD/TTY: 800-833-7352**  
**Email: NDOL.EOComplaints@Nebraska.gov**

or

**Director, Civil Rights Center (CRC)**  
**U.S. Department of Labor**  
**200 Constitution Avenue NW, Room N-4123**  
**Washington, DC 20210**  
or electronically as directed on the CRC website at  
[www.dol.gov/crc](http://www.dol.gov/crc).

If you file your complaint with the recipient, you must wait either until the recipient issues a written Notice of Final Action, or until 90 days have passed (whichever is sooner), before filing with the Civil Rights Center (see address above). If the recipient does not give you a written Notice of Final Action within 90 days of the day on which you filed your complaint, you may file a complaint with CRC before receiving that Notice. However, you must file your CRC complaint within 30 days of the 90-day deadline (in other words, within 120 days after the day on which you filed your complaint with the recipient). If the recipient does give you a written Notice of Final Action on your complaint, but you are dissatisfied with the decision or resolution, you may file a complaint with CRC. You must file your CRC complaint within 30 days of the date on which you received the Notice of Final Action.

Updated: 8/6/18

Equal Opportunity Program/Employer TDD: 800-833-7352  
Auxiliary aids and services are available upon request to individuals with disabilities.