

# Oregon Domestic Combined Payroll Tax Report

2008

Oregon Department of Revenue  
Oregon Employment Department  
Oregon Department of Consumer & Business Services

## Forms and Instructions For Oregon Domestic Employers

- **FORM OA DOMESTIC  
OREGON ANNUAL TAX REPORT**
- **FORM 132 DOMESTIC  
EMPLOYEE DETAIL REPORT**
- **FORM 013  
CHANGE IN STATUS REPORT**
- **FORM WR  
OREGON ANNUAL WITHHOLDING  
TAX RECONCILIATION REPORT**

2008 Oregon Combined Tax Payment Coupons (Form OTC) are not in this booklet. They were sent separately to employers in December 2007.

### How to ensure that your report is processed timely

- ❖ Do you use a tax preparer?  
If so, the preparer may need this booklet to file your reports.
- ❖ Double-check your math.
- ❖ When sending a payment, you must include an OTC with your Form OA.
- ❖ If you have no payroll or subject hours worked, enter a "0" in the boxes on lines 1, 5, 9 and 11 for each tax program to which you are subject.



Oregon Department of Revenue  
955 Center Street NE  
Salem OR 97301-2555

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Call the numbers below if you need assistance.

### State withholding taxes

#### OREGON DEPARTMENT OF REVENUE

**Salem:** 503-945-8091 or 800-356-4222  
TTY users: 503-945-8617  
Internet: [www.oregon.gov/DOR](http://www.oregon.gov/DOR)  
e-mail: payroll.help.dor@state.or.us

#### Reporting forms:

Oregon Annual Tax Report – Form OA - Domestic  
Oregon Annual Withholding Tax  
Reconciliation Report–Form WR  
Change in Status Report–Form 013

### Workers' Benefit Fund assessment

#### OREGON DEPARTMENT OF CONSUMER & BUSINESS SERVICES (DCBS)

#### Assessment questions:

**Salem:** 503-378-2372  
Internet: [www.oregon.gov/DCBS/FABS/wbf.shtml](http://www.oregon.gov/DCBS/FABS/wbf.shtml)  
e-mail: wbfassess.fabs@state.or.us

#### Subjectivity questions:

**Salem:** 503-947-7815 or 888-877-5670  
e-mail: workcomp.questions@state.or.us  
Reporting form:

Oregon Annual Tax Report – Form OA - Domestic

### State unemployment insurance tax

#### OREGON EMPLOYMENT DEPARTMENT

**Salem:** 503-947-1488  
TTY users: 711  
Internet: [www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX)  
e-mail: taxinfo@emp.state.or.us

#### Reporting forms:

Oregon Annual Tax Report – Form OA - Domestic  
Employee Detail Report– Form 132 - Domestic  
Change in Status Report–Form 013

### Payments for all tax programs

Payment coupons (Form OTC) are mailed separately to employers. You must include one with each payment.

#### To order OTCs call:

**Salem:** 503-945-8091 or 503-378-4988

**Electronic Funds Transfer (EFT) Help Line:**  
503-947-2017

#### Other internet addresses

*How to Start a Business in Oregon* and  
*Employer's Guide for Doing Business in Oregon*  
are available at: [www.filinginoregon.com](http://www.filinginoregon.com)

Federal payroll tax and FUTA forms are  
available at: [www.irs.gov](http://www.irs.gov)

In compliance with the Americans with Disabilities Act (ADA), this information is available in alternative formats by calling: **Oregon Department of Revenue at 503-378-4988, or 1-800-356-4222 (toll free from an Oregon prefix) or the Oregon Employment Department at 503-947-1488**

# Filing Due Date for Annual Report is January 31, 2009

## WHERE TO FILE AND PAY

*Mail all reports and payments to:*

**Oregon Department of Revenue  
PO Box 14800  
Salem OR 97309-0920**

## Important Information

### Quarterly Filing Options

If you choose to file on a quarterly basis, the Employment Department has free software available. See page 5 or call 503-947-1488 for more information.

### Unemployment Insurance (UI) Tax Rate

Your UI tax rate is based on the last 12 quarters experience through June 30, 2008. You received a Notice of Estimated Tax Rate in November 2007 because the data is not available for the first two quarters of 2008 until we receive your annual report in 2009. Final tax rate notices will be mailed in May 2009 after the year 2008 annual reports are processed.

**Oregon Department of Revenue, Employment Department, and Department of Consumer and Business Services rules differ. *Please read all instructions carefully. If you have questions, please contact the appropriate agency. (See page 2.)***

### Reporting hours may differ

The number of subject hours reported for UI tax on the Wage Detail Report (Form 132 Domestic) may not equal the number of subject hours reported for the WBF assessment in box 9 on Form OA. (See page 8).

### Keep your records

You must keep WBF assessment-related payroll records for at least four years.

You must keep all other payroll records for **at least** six years after filing the required reports.

### No payroll or subject hours worked

Even if you have no payroll or subject hours worked, enter "0" on subject wages line or

subject hours line of Form OA for each program you are subject to. See line instructions for details.

### Closing your account

All reports and payments are due within 20 days of the date that you terminate your employees, rather than January 31. Interest will begin to accrue if payment is not made by that date.

### Oregon Identification Numbers

Your Oregon business identification number (BIN) is not the same as your registry number issued by the Oregon Secretary of State's Corporation Division. **If you don't know your BIN, call the Department of Revenue, 503-945-8091 or 503-378-4988.**

The correct format for a BIN is NNNNNNNN-N (for example, 1234567-8.)

**You must include your BIN at the top of all correspondence, returns, and payments that you file with the Department of Revenue, the Employment Department, and the Department of Consumer and Business Services.**

**Important:** if the structure of your business has changed, call the Department of Revenue, 503-945-8091 or 503-378-4988.

### Employer Account Access

You can review your UI tax account information at [www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX). Click on "Your Account Information Center," enter the information to register your Personal Identification Number (PIN).

## Filing Option

Employers with exclusively domestic (in home service) employment may choose to file the combined payroll tax reports quarterly or annually. The quarterly forms are sent out in February, and annual forms are sent out by November of each year. Call the Oregon Employment Department at 503-947-1488 for more information.

## Filing for bankruptcy

If you file for bankruptcy, you need to notify **separately** each state agency that administers the payroll taxes and/or assessments to which you are subject.

## Withholding tax tables

The Oregon withholding tax tables were updated January 1, 2007. The tables are available at: **www.oregon.gov/DOR**. If you don't have internet access, call 503-945-8091.

## Payroll questions answered via e-mail

You can now receive answers to your payroll questions via e-mail. Agency e-mail addresses are listed on page 2.

## Employer new hire reporting program

All Oregon employers are required to report new and rehired employees to the Oregon Department of Justice's Division of Child Support, within 20 days from their hire date. For information on the law and reporting procedures, contact:

Department of Justice  
Employer New Hire Reporting Program  
1495 Edgewater St NW  
Salem OR 97304

Telephone: 503-378-2868  
Fax 503-378-2863 or 877-877-7415  
E-mail: [emplnewhire.help@doj.state.or.us](mailto:emplnewhire.help@doj.state.or.us)  
Website: **www.oregon.gov/DOJ**

## Required Forms

**If you use a tax preparer**, please check to see if the preparer needs this booklet to file your reports. Your forms can be sent directly to your tax preparer. Fill out the "Change in Status Report" to change your forms' mailing address to your tax preparer's address for future mailings.

## Forms needed for reporting

- **Form OA—Oregon Annual Tax Report.** File this form to document how you calculate the annual figures for state UI tax, state withholding tax, and Workers' Benefit Fund (WBF) assessment.
- **Form 132—Domestic Employee Detail Report.** If your business is subject to Oregon UI tax, use these forms to report the quarterly detail for each employee. File these forms with Form OA.
- **Form OTC—Oregon Combined Tax Payment Coupon.** File with each payroll tax payment to show how the amount paid is to be distributed among UI tax, state withholding tax, and WBF assessment.

NOTE: Form OTCs are mailed separately, by December 31 of each year. If you need to order additional coupons, write the Oregon Department of Revenue, PO Box 14800, Salem, OR 97309-0920, or call 503-945-8091 or

503-378-4988. When ordering, tell us how many coupons you need for the remainder of the year.

- **Please use blue or black ink.** Our automated system can only read these colors.
- **Please don't use colored paper**

## Other forms

- **Form 013—Change in Status Report.** Use this form to report changes in your business including address and phone number changes. Do not use Form OTC or Form OA to make changes. See the "Change in Status Report" at the back of this booklet, for detailed instructions. The "Change in Status Report" is also available on the Internet at: **www.oregon.gov/DOR**
- **Form WR—Oregon Annual Withholding Tax Reconciliation Report.** For withholding tax purposes only. File annually to compare and reconcile the yearly state withholding taxes you report on the W2s and 1099s you issue to your employees with what you reported and paid to the Department of Revenue. Form WR is due by February 28 of each year. Form WR is available at: **www.oregon.gov/DOR**.

# Filing the Oregon Combined Annual Tax Report

## Who must file

If you choose an annual reporting schedule, you must file a Form OA Domestic each year:

- As long as you are registered as an active employer with the Oregon Department of Revenue, Oregon Employment Department, or are either required by law or choose to have a workers' compensation insurance policy in Oregon.

You must file Form 132 Domestic:

- If you are an employer subject to UI law.

## When to file

Your report and payment are due no later than January 31, 2009. If your account closes mid year, both reports and payment are due within 20 days of the closing.

## Amended reports or adjustments

To amend data on Form OA Domestic or Form 132 Domestic, copy the original report, make the necessary changes on the copy, clearly write "Amended" at the top of the form, write a brief explanation of why you are amending your report, and fax to 503-947-1700 or mail to Oregon Department of Revenue, PO Box 14800, Salem OR 97309-0920. **Please use only black or blue ink.**

The time period allowable for adjustments to WBF assessment reports is the current calendar year and three preceding years. DCBS cannot initiate or accept adjustments to WBF reports or payments for any year that pre-dates this period.

## Failure to file

If you don't file a correct, complete annual report, you may receive an assessment(s) for taxes owed based on available information. We may charge penalty and interest on the amount assessed (see page 6).

## Quarterly Filing Options

Electronic filing is far more efficient, accurate, and less time consuming than paper filing. You can file electronically by the Internet, e-mail, or by telephone if you elect to report quarterly.

The Employment department has free software for filing electronically. This software is a substitute for quarterly filings of paper Form OQs, Schedule Bs, and Form 132s. If you have questions or want to order the software, call 503-947-1488 or download the software from our Web site [www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX).

## Payment Instructions

### Oregon combined payment

To make sure your payment is correctly applied:

- Complete and send in a Form OTC with every payment.
- Show the amount paid to each tax program in the appropriate boxes on Form OTC. Enter only the amount shown on your check. Don't include credits.

Send Form OTC and your check to:

**Oregon Department of Revenue  
PO Box 14800  
Salem, OR 97309-0920**

Please don't staple or tape your check to Form OTC.

### Payment record

Keep records of payments made to all programs for each report you file.

### Electronic funds transfer (EFT)

You can make payments for combined payroll taxes using the Oregon Department of Revenue's EFT program. This program allows you to make payments using a touch-tone telephone, a secure internet site, or through your financial institution.

An employer is required to have an authorization agreement filed with the Department of Revenue before initiating EFT payments. Information and authorization agreements are available on the internet at: [www.oregon.gov/DOR](http://www.oregon.gov/DOR), or by calling the EFT help line at 503-947-2017.

# Penalties

## Unemployment insurance tax

A failure-to-file or late filing penalty may be assessed if you file Form OA Domestic or the Form 132 Domestic (Employee Detail Report) more than 10 calendar days after the due date, and you have received a warning. **This is in addition to interest due.** The failure-to-file penalty is \$6 for each employee reported, with a \$75 minimum and \$1,500 maximum penalty. Reports not correctly formatted or incomplete may also be assessed a similar penalty. If no subject wages are reportable, but the report is filed late, a \$5 late filing penalty may be assessed.

In addition, if Form OA Domestic or Form 132 Domestic are not correctly formatted or are incomplete, they may be returned. If the out of format report is not resubmitted before the tenth day following the due date, a 10 percent penalty may be assessed.

An additional penalty may be charged to employers who have failed as of September 1 to:

- File all unemployment insurance tax reports:
  - Form OA Domestic–Oregon Annual Tax Report,
  - or**
  - Form 132 Domestic–Domestic Employee Detail Report,
  - or**
- Pay all unemployment insurance taxes due.

The penalty is 1 percent of the employer's previous year's taxable payroll.

## State withholding

- You will be charged a 5 percent late payment penalty on any unpaid tax after the due date of the return.
- You will be charged an additional 20 percent penalty on any tax due as of the due date and if Form OA is filed more than one month late.
- You will be charged a 100 percent penalty on any tax due if Form OA Domestic are not filed for three years in a row.

## Workers' Benefit Fund assessment

You may be charged a late filing penalty if the Form OA Domestic is filed or payment is received more than 10 calendar days after the due date. A civil penalty of up to \$2,000 may be charged for each violation if the payment or Form OA Domestic is not filed on time. Penalties will be charged at 10 percent of the outstanding balance, with a minimum of \$50 for each violation.

Also, if your account is audited for failure to report or inaccurate reporting, you may be charged up to \$2,000 for failure to respond on time to notices and orders related to audit findings.

# Interest

## Unemployment insurance tax

Interest is assessed on unpaid or late paid UI tax. The rate is 1.5 percent per month or fraction of a month after the payment is due. Interest is assessed if the payment is one day late. Calculate interest on unpaid tax only. Don't calculate interest on previously assessed interest or penalties.

## State withholding

You will be charged interest on any remaining tax left unpaid after the due date. Employers should

not calculate interest due. You will be billed for interest due on unpaid balances.

## Workers' Benefit Fund assessment

Interest is charged on unpaid or late paid WBF assessments. The rate of 9 percent per year may be charged on all overdue balances. If your account is assigned for collection, you will be responsible for the collection fee.

# Oregon Annual Tax Report (Form OA)

## Line-by-Line Instructions

Before you complete Form OA Domestic, review your name, mailing address, Oregon business identification number (**BIN**), and federal employer identification number (**FEIN**) to verify they are all correct. Make corrections on the "Change in Status Report" included at the end of this booklet and fax it to 503-947-1700 or mail it to Employment Department 875 Union St NE Rm 107, Salem, OR 97311.

The North American Industry Classification System (NAICS) code is assigned by the Employment Department. If you have questions regarding these codes, call 1-800-262-3912, ext. 7-1248 (toll-free within Oregon) or 503-947-1248.

### Line-by-line instructions

**Number of covered workers for state unemployment insurance.** If you have questions on how to count workers, call 1-800-262-3912, ext. 7-1248 (toll-free within Oregon) or 503-947-1248.

To report number of workers, use the totals for each month in the fourth quarter only (October, November, December.) Include all full-time and part-time workers who worked or received pay subject to unemployment insurance law during the payroll period which includes the 12th of the month. Some examples include:

- Daily pay period. Enter the number of workers on the daily payroll for the workday nearest the 12th of the month.
- Weekly, bi-weekly, or semi-monthly pay period. Enter the number of workers on the payroll for the period that includes the 12th of the month.
- Monthly pay period. Enter the number of workers on your monthly payroll.
- If there were no covered workers during any pay period, enter zero "0" in the appropriate boxes. Don't leave these boxes blank.

Add the numbers for the three months and place the sum in the **Total** (October + November + December) box. This total is used to verify that the automated equipment has correctly read the monthly entries.

### OA columns

In each column, enter the total subject wages paid for each tax program. If you have questions, refer to the specific program information in this booklet.

In each column, enter the total tax owed to each state program. If any of the amounts are less than or equal to zero, enter "0". Do not enter any credit items. **Any credit in one tax program may only be used in that same program. A credit may be used on a future report or refunded by request.**

### Column A. Unemployment Insurance (UI)

**Box 1. Subject wages.** This amount must equal the sum of all four quarters from line 1 (total subject wages) on Form(s) 132-Domestic. Include all wages even those exceeding the taxable wage base for UI reporting purposes.

**Box 2. Excess wages.** Excess wages are wages above the taxable wage base for the year *per employee*. The taxable wage base for 2008 is **\$30,200** per employee per year.

**Box 3. Taxable wages.** Enter box 1A minus box 2A.

**Box 4. Tax rate.** Use the estimated 2008 tax rate. If you are subject to UI tax and no rate is printed, call the Employment Department at 503-947-1488.

**Box 5. Total tax.** Multiply box 3A by box 4A. Round down to the nearest cent and enter the tax amount. Enter "0" if you had no UI tax this quarter.

**Box 6. Tax prepaid.** Enter the amount of UI tax prepaid or credits used. Include any UI credit amount that may have been overpaid where no refund was requested or issued.

**Box 7. UI penalty and interest owed.** Enter the amount of penalty and interest owed if the report is late. Figure the penalty amount by multiplying the number of employees by \$6. The minimum penalty is \$75. The maximum penalty is \$1,500. If there were no employees, the penalty is \$5. Late reports are those submitted more than 10 days after the due date.

To calculate interest owed, multiply the unpaid tax owed by .015 for each month or fraction of a month

after the date the payment is due. Interest is assessed even if the payment is one day late.

When calculating interest, use only the amount of unpaid tax. Don't calculate interest on previously assessed interest or penalties.

**Box 8. Total due.** Enter box 5A **minus** box 6A **plus** box 7A. If the amount is less than zero, enter "0".

## Column B. State withholding

**Box 1. Subject wages.** Enter total *wages subject to income tax* (salaries, commissions, and bonuses), paid to Oregon employees.

- This amount need not match box 1A.
- Enter "0" if you had no subject payroll for the year.

**Box 5. Total tax.** Enter total Oregon tax withheld this year. Enter "0" on the wage and tax line if you had no withholding tax this year. Only numerical information entered in the state withholding tax column will be considered a filed return for that program. If you enter something other than a number in the state withholding tax column or leave that column blank, we will conclude you are communicating to us you are not subject to state withholding tax and you are not filing a return for purposes of state withholding tax.

**Box 6. Tax prepaid.** Enter the amount of withholding tax prepaid. Include any withholding credits used.

**Box 8. Total tax due.** Enter box 5B minus box 6B. If the amount is less than zero, enter "0".

## Workers' Benefit Fund (WBF) assessment

**Box 9.** The majority of domestic (in home care) employers and their workers are not subject to the WBF assessment. **Before reporting hours in Box 9**, you may wish to verify with Workers' Compensation Division (503-947-7815 or 888-877-5670) whether your workers are subject. If not, please leave boxes 9-13 blank. If your workers are subject, total all hours worked by all workers who are subject to WBF assessment. Enter the total hours rounded down to the nearest

whole (no fractions or decimals). If you have no workers' hours to report, enter "0". More detail on determining hours worked is available at [www.oregon.gov/DCBS/FABS/wbf.shtml](http://www.oregon.gov/DCBS/FABS/wbf.shtml) or by calling 503-378-2372.

**Box 10. Assessment rate.** The current WBF assessment rate is 0.028. Employers contribute one-half of the hourly assessment amount and deduct one-half from workers' wages.

**Box 11.** Multiply box 9 times box 10. Round down to the nearest cent. This is the total WBF assessment due. If no assessment is due, enter "0".

**Box 12.** Enter the amount of prepaid WBF assessment or WBF assessment credits used.

**Box 13.** Subtract box 12 from box 11. This is the net WBF assessment amount due. This amount should match the amount you enter in the "Workers' Benefit Fund Assessment" box on Form OTC. If the amount is less than zero, enter "0".

## Box 14. Total payment due.

Enter total payment due. Add boxes 8A, 8B, and 13. **Do not include any credits.** Make your payment to the Department of Revenue using electronic funds transfer (EFT). **Or** make your check payable to "Oregon Department of Revenue." **Include a payment coupon (Form OTC)** when you mail your check.

**Note: You cannot use Form OA Domestic to transfer credits between programs.**

### • Credit applied to another program:

Send a written request along with a copy of Form OA Domestic to the agency that handles the program that has the credit.

Include your account name, BIN, tax program, and year where the credit exists. Give the same information for where you want the credit applied. Also include any notices or memos you've received about the credit.

### • Credit refunded:

Send a written request to the agency that handles the program that has the credit. Include your account name, BIN, the word "**Refund,**" and the amount to refund. Also include any notices or memos you have received about the credit.



### Box 16. Special payroll tax

Multiply box 3A by the special payroll tax 0.0009 for all four quarters. Do not add or subtract this amount from boxes 5A or 14. Employers not required to pay FUTA are not required to complete this section. See page 10 for more information on the special payroll tax.

### Signature

The tax preparer needs to sign Form OA Domestic on the signature line and include a telephone number and the date the form was prepared. A signature is required even if you file a "0" report.

## Domestic Employee Detail Report (Form 132)

Complete only if you pay unemployment insurance tax.

**Line 1. Total subject quarterly wages.** Enter the total subject wages for all employees for the quarter. If you use more than one page of Form 132, enter the total amount on page 1 only. This figure (total for all pages and all quarters) must equal the amount in box 1A on Form OA Domestic.

**Column 2. Social Security number.** Enter the Social Security number for each employee reported.

**Column 3. Employee name.** Enter the first initial and last name of each employee reported.

**Column 4. Hours worked during each quarter.** Enter the number of hours the employee worked in each quarter. If you don't track hours for a full-time employee, use 520 hours for the quarter. **Don't report fractions or portions of an hour worked by an individual.** Round up any portion of an hour to the nearest whole hour.

Report the actual number of hours worked. This is straight time and overtime. Don't report hours paid for sick leave, vacation leave or any other hours paid where no work was performed. Even though these hours are not reported in column 4, wages paid are still reported as subject wages in column 5.

Report hours in the quarter worked and wages in the quarter paid.

The number of hours worked subject to unemployment insurance doesn't need to equal the number of hours reported for Workers' Benefit Fund assessment.

Enter "0" for an employee who didn't work during the quarter, but received wages (**don't leave blank**).

If you need to adjust hours worked in a previous year, file an amended Form 132 Domestic (see page 5).

**Column 5. Wages for each quarter.** Wages are reported in the quarter paid to the employee, regardless of when earned. Enter the total subject wages paid to each employee during the quarter regardless of whether the employee's wages exceeded the taxable wage base.

Don't use this report to correct wages for another year. File an amended Form 132 Domestic (see page 5).

**Box 6. Column totals.** Enter the total subject wages for all employees reported in each quarter. Don't include the totals from other pages on this form.

# Unemployment Insurance (UI) Tax Information

## Subject wages

Generally, wages reportable for Federal Unemployment Tax Act (FUTA) purposes are reportable for Oregon UI tax. All wages, including draws, are reportable when paid to the employee. For example, wages paid January 2008 for work performed in December 2007 are reportable in 2008.

An employee is any person (including aliens or minors) employed for pay by any employer subject to Employment Department law (ORS 657.015). This includes contract, casual, or temporary labor.

“Wages” means all compensation for service, unless specifically excluded by law.

The following are examples of subject wages:

- Wages paid in cash.
- Taxes paid on behalf of an employee. This includes withholding and the employee’s half of Social Security and Medicare.
- Other cash payments made on behalf of an employee such as tuition, auto repair bills, credit card payments, and student loans.
- Special payment for services, such as commissions, fees, gifts, bonuses, prizes, separation allowances, guaranteed wage payments, vacation, sick pay and holiday pay.

## Excluded wages

Examples of payments that are not subject under unemployment insurance law are:

- Payments to a proprietor or the proprietor’s child under 18, spouse, or parent.
- Noncash payments
- Sick pay under workers’ compensation law.

## Unemployment insurance tax payments

All payments must be sent with a payment coupon (Form OTC). Enter the amount paid in the “State Unemployment Insurance Tax” box. When there is more owed than taxes, payments are applied first to legal fees, penalties, and interest. The remainder is applied to tax owed.

## Special payroll tax

The UI tax program is authorized to collect a special payroll tax that is calculated every quarter. This is not an additional tax. Employers subject to federal unemployment insurance tax (FUTA) must deduct the special payroll tax from the total state unemployment tax to determine the amount reported as “contributions paid to the state unemployment fund” on Federal Unemployment (FUTA) Form 940.

The special payroll tax funds the Wage Security Fund (BOLI) and the Supplemental Employment Department Administration Fund (SEDAF). The BOLI fund pays final wages when a business closes and doesn’t have enough money to make final payroll. The SEDAf fund provides for Employment Department services.

Don’t include the special payroll tax to calculate a credit when reporting on federal Form 940. To calculate “contributions paid to the state,” use two lines in item 3 on Form 940 (computation of tentative credit), one for the first quarter, and one for the remaining quarters when the first quarter rate is different in odd years. The “state experience rating” for all four quarters in 2008 is the unemployment insurance tax rate less 0.0009.

**Example 1:** An employer has a tax rate of 3 percent (0.03). In the second quarter, the experience rate will be 2.91 percent (0.0291), which is the tax rate less the 0.09 percent (0.0009) special payroll tax offset.

**Example 2:** Employers with the highest state unemployment tax rate, 5.4 percent (0.054), should not calculate the amount of the special payroll tax offset. These employers should use the unadjusted amount of taxes paid to the state as “contributions paid to your state unemployment fund.”

“Contributions actually paid to the state” should equal the amounts found on line 17 of Form OQ for each quarter. If the amounts paid were less than what is owed, report the amount actually paid. You may download Form 940 from [www.irs.ustreas.gov](http://www.irs.ustreas.gov), or get it by calling the IRS at 1-800-829-3676.

## Exemption from UI tax

An employer who doesn't have enough employment or payroll may qualify for an exemption from UI tax. To apply, file a written request with the director of the Employment Department (ORS 657.415). If approved, the exemption will continue until the employer again qualifies as an employer as defined in ORS 657.

## Employer account access

You can review your unemployment insurance account information at [www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX). Click on "Your Account Information Center," enter the information to register your Personal Identification Number (PIN).

## Equal opportunity service provider

The Employment Department is an equal opportunity agency and doesn't discriminate in providing services on the basis of race, color, religion, sex, nation of origin, age, disability, political affiliation or belief, citizenship, or marital status.

Auxiliary aids and services are available upon request to people with disabilities.

## Employment office

Information on UI tax is available at [www.oregon.gov/EMPLOY/TAX](http://www.oregon.gov/EMPLOY/TAX); by e-mail: [taxinfo@emp.state.or.us](mailto:taxinfo@emp.state.or.us); or by calling 503-947-1488. The TTY number is 711. Written inquiries may be sent to:

Tax Section,  
Employment Department,  
875 Union St NE,  
Salem, OR 97311-0030.

# Withholding Tax Information

## Who is a household employee?

This information applies only if you pay someone for household work and that worker is your employee. Household work is work done in or around your home by babysitters, nannies, health aides, private nurses, maids, caretakers, yard workers, and similar domestic workers.

A household worker is your employee if you can control not only what work is done, but also how it is done.

If only the worker can control how the work is done, the worker is not your employee but is self-employed. A self-employed worker usually provides his or her own tools and offers services to the general public in an independent business. If an agency provides the worker and controls what work is done and how it is done, the worker is not your employee.

## Should Oregon income tax be withheld from a household employee's pay?

Oregon income tax withholding is not required for household employees. However, Oregon income

tax can be withheld if the household employee **asks** you to withhold and you **agree**. In order to determine withholding, the employee must complete federal Form W-4, Employee's Withholding Allowance Certificate.

## Figuring withholding tax

To find out how much state income tax to withhold from an employee's pay, use the withholding tables found in the Oregon Withholding Tax Tables located on the internet at: [www.oregon.gov/DOR](http://www.oregon.gov/DOR). If you don't have internet access, call 503-945-8091 or 503-378-4988.

## Transit district tax information

Domestic service in a private home is exempt from the Tri-County Metropolitan Transportation District (TriMet) and the Lane Transit District (LTD).

# Workers' Benefit Fund Assessment Information

## The Workers' Benefit Fund (WBF)

The Workers' Benefit Fund supports programs that benefit injured workers and the employers who help them return to the work force. More information about programs supported by the fund is at [www.oregon.gov/DCBS/FABS/wbf.shtml](http://www.oregon.gov/DCBS/FABS/wbf.shtml).

**Note:** The WBF assessment is separate from your workers' compensation insurance premium and doesn't provide insurance coverage.

## Workers subject to WBF assessment

There are few domestic workers in Oregon that are subject to the WBF assessment. The only domestic workers subject to the WBF assessment are:

- Those for whom the employer is required by law to provide workers' compensation insurance coverage (e.g. those employed by sororities and fraternities); and
- Those for whom the employer elects to provide workers' compensation insurance coverage even though not required by law to do so.

If you aren't required by law to have workers' compensation insurance for your workers, and you don't choose to cover yourself or anyone else with workers' compensation insurance, you aren't subject to the WBF assessment.

For each calendar year that you do have subject workers or covered nonsubject workers, you must file a Form OA Domestic to report hours worked. In addition, for each calendar year you have coverage, but no workers, you must file a Form OA Domestic to report "0" hours worked and "0" assessment due. If you don't file a Form OA Domestic during the time you have subject workers or personal elections, you may be assessed a penalty.

Before you report and pay the WBF assessment, if you have questions about whether your domestic workers are subject, call 503-947-7815 or 888-877-5670, e-mail [workcomp.questions@state.or.us](mailto:workcomp.questions@state.or.us), or write: Compliance Unit, DCBS/WCD, P O Box 14480 Salem, OR 97309-0405.

For all other questions regarding the WBF assessment, call the WBF hotline at 503-378-2372, e-mail [wbfassess.fabs@state.or.us](mailto:wbfassess.fabs@state.or.us), or check out the Information Sheet at [www.oregon.gov/DCBS/FABS/wbf.shtml](http://www.oregon.gov/DCBS/FABS/wbf.shtml).

## Hourly assessment

This assessment is based on the total number of full and partial hours worked by all paid individuals who are subject to the assessment. Like wages, the hours are reportable when paid.

For example, hours worked in December 2008 but not paid until January 1 are reportable in 2009. The hourly assessment rate is printed on Form OA in box 10. It may change annually.

## How to update or close your Workers' Benefit Fund assessment account

If you change ownership, discontinue business, or cease to employ workers, contact your workers' compensation insurer with the corrected information. Your WBF assessment account will remain open long as your workers' compensation insurance coverage is active and on file with Oregon. When you cancel your insurance coverage, you can expedite closure of your WBF assessment account by completing the "Corrections and Changes Notification for WBF Assessment" form. This form is available at [www.oregon.gov/DCBS/FABS/wbf.shtml](http://www.oregon.gov/DCBS/FABS/wbf.shtml), or by calling 503-378-2372.

## Workers' Benefit Fund assessment questions

If you have questions about your WBF assessment account, contact DCBS by e-mail at [wbfassess.fabs@state.or.us](mailto:wbfassess.fabs@state.or.us) or by mail at:

Workers' Compensation Assessments Section  
DCBS/Fiscal and Business Services  
PO Box 14480  
Salem OR 97309-0405



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