

NJ Employers Face August Deadline To Reduce SUI Contribution Rates

By: Pamela Avraham, CPA
Urbach & Avraham, CPAs



Did you check your NJ SUI rates?

On July 20, 2018, the annual Notice of Employer Contribution Rates were mailed to all New Jersey employers. This is not a bill, but rather a summary of the way the NJ Department of Labor calculates your employer contribution rate for unemployment and disability. This form enables you to determine whether a voluntary contribution would save you money in the subsequent year.

Can I reduce the NJ SUI rate?

A voluntary contribution increases your reserve balance and may reduce your contribution rate. Each employer should calculate the amount of the voluntary contribution required to reduce the rate. The required voluntary payment should be compared to the savings realized from a lower rate.

The unemployment expense is a substantial component of the labor cost of staffing agencies. You should give it careful attention. If you wish to make a voluntary contribution to your reserve balance you have 30 days from the date of your notice to do so. We recommend that you verify all the NJ DOL calculations including the amount of the employer contributions and the benefits charged to your account. Report any discrepancies to the NJ Dept. of Labor.

By making a voluntary payment, employers may reduce the NJ SUI rate for the coming year. Please be aware that this payment increases your reserve balance and helps reduce the NJ SUI rate in future years as well.

Checked your TWES Account?

Good news...if you didn't receive the Notice and have a Tax Web Enabled System (TWES) account online - you can find your contribution rates there as well. The TWES system provides a wealth of information allowing employers to review their account status, open balance, payment history, employer and worker contribution rates, credit balance and any delinquency. You can log on to the TWES website at <https://my.state.nj.us/>

Remember - doing your summer homework now may save you money down the road!

BY: Pamela Avraham, CPA, Partner, Urbach & Avraham, CPAs which provides accounting and tax services to staffing agencies. Pamela may be reached at 732-777-1158 or pma@ua-cpas.com. Firm website is www.ua-cpas.com.