

UNEMPLOYMENT TAXES

16 VAC 5-20-10. Taxable employers.

A. Taxes shall become due for all taxable employers on the last day of the month following the end of the calendar quarter for which they have accrued. This subsection shall not apply to reimbursable employers, including governmental entities and nonprofit organizations electing coverage under the provisions of §§ 60.2-501 through 60.2-507 of the Code of Virginia.

B. The first tax payment of an employer who becomes liable for taxes in any year shall become due on the next due date following the month in which he became subject to the Act. The first payment of such an employer shall include taxes for all wages payable for each employing unit from the first day of the calendar year.

C. Payment for each calendar quarter shall include taxes for wages payable in all pay periods (weekly, biweekly, semi-monthly, monthly) ending within such calendar quarter.

D. Upon written request of any employer filed with the commission on or before the due date of any tax payment, the commission for good cause may grant in writing an extension of time for the payment of such taxes, but (i) no extension of time shall exceed 30 days, (ii) no extension shall postpone payment beyond the last date for filing tax returns under the Federal Unemployment Tax Act, 26 USCS §§ 3302, 3306, and (iii) interest as provided in § 60.2-519 of the Code of Virginia shall be payable from the original due date as if no extension had been granted.

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16 VAC 5-20-20. Reimbursable employers.

~~A. All nonprofit organizations, pursuant to the provisions of §60.2-501 of the Code of Virginia shall file with the Chief of Tax at the Commission's administrative office a surety bond equal to 1.0% of the employer's taxable wages, as defined in §60.2-229 of the Code of Virginia, for the most recent four calendar quarters prior to the election to make payments in lieu of taxes. Such bond shall be executed by an approved bonding company. Any such nonprofit organization having made the election to make payments in lieu of taxes prior to the effective date of this chapter shall file with the Chief of Tax at the commission's administrative office a surety bond equal to 1.0% of the employer's taxable payroll for the most recent four calendar quarters prior to the effective date of this chapter. If the nonprofit organization did not pay wages in each of such four calendar quarters the amount of the bond or deposit shall be 1.0% of the taxable payroll estimated for four calendar quarters from any such quarters in which the organization did pay wages. If the nonprofit organization did not pay wages in any quarter, then the amount of bond or deposit shall be 1.0% of taxable payroll estimated by the organization, such estimate to be adjusted at the end of four calendar quarters by the commission.~~

~~B. In lieu of the bond set forth in subsection A, any nonprofit organization may elect to deposit with the commission money or securities equal to 1.0% of the employer's taxable payroll for the most recent four calendar quarters prior to the election to make payments in lieu of taxes. Any deposit of money or securities shall be retained in an escrow account~~

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~~until liability is terminated, at which time it shall be returned to the organization less any deductions. The commission may deduct from deposited funds, or sell the securities to the extent necessary to provide, a sum sufficient to satisfy any due and unpaid payments in lieu of taxes, or any unpaid taxes and any applicable interests and penalties. Within 30 days following any such deduction the employer must deposit sufficient additional money or securities to make whole its deposit at the prior 1.0% level.~~

~~If any nonprofit organization fails to file such bond with the commission within 30 days after such election, the commission may terminate the organization's election to make payments in lieu of taxes.~~

Reimbursable Employers shall not be required to post a bond.

FORMS

~~Voluntary Election to Become an Employer Under the Virginia Unemployment Compensation Act, VEC FC 24 (rev. 1/87).~~

~~Election (of method of payment) by Nonprofit Organizations, Governmental Agencies, or Political Subdivisions, VEC FC 47 (rev. 1/92).~~

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~~Unemployment Insurance in Virginia: Employer's Handbook (rev. 2/93). (Although issued for informational purposes only, this booklet contains some interpretative material.)~~

I certify that this regulation is full, true, and correctly dated.

Lynette H. Coughlin, Regulatory Coordinator
Virginia Employment Commission

Date: _____