

EMPLOYER NEWSLETTER



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Arkansas Division of
Workforce Services

UI Service Center: 1-844-908-2178
ADWS Employer Accounts: 501-682-3798

GO PAPERLESS WITH TAX21



<https://www.workforce.arkansas.gov/Tax21>

Manage your unemployment insurance account information, pay taxes, submit reports, and utilize other ADWS employer services online with Tax21.

- Request a Login ID for online services
- Request to receive & respond to ADWS employer forms online
- Apply for a new ADWS employer account number
- File & pay Employer's Quarterly Contribution & Wage Report
- Report unemployment insurance fraud
- Report a refusal of an offer of work
- Report a failure to submit to or pass a pre-employment drug screen
- Report a failure to appear for a scheduled job interview
- Respond to UI 901A Overpayment Wage Response System
- Request UI documents be sent to a different address than tax documents
- Register for & respond to UI Benefit Notice Response System & Shared Work Program
- More!

To contact ADWS Employer Account Services, call [501-682-3798](tel:501-682-3798).

2023 TAX RATES

Taxable Wage Base

\$7,000 per employee

Stabilization Tax Rate

.2%

Experienced Employer Rate Range

0.3% - 14.2%

New Employer Rate

2.9% + stabilization of .2% = total rate of 3.1%

UPDATED

Tax21 Employer Portal



Updating the Tax21 online employer portal is a major focus of ADWS' UI modernization efforts. Once fully implemented, employers will be able to use the portal **24 hours a day, 7 days a week** to update all information for ADWS. This will include all current functionality and the additional items listed below.

Charges:

- protest charges using the Tax21 system and upload attachments with the request. They will be able to check the status of the request and communicate with the appropriate department directly through the system.

Updated Employer Notice Interface:

- Once completed, employers will be able to respond with additional information on the 5013: Notice to Last Employer, including additional check boxes, a freeform text box and the ability to upload attachments including evidence for the decision.
- Employers will be able to respond to 901A Wage Audits more easily. These cross matches assist in keeping the integrity of the UI trust fund which is involved in setting the stabilization and taxable wage base amounts.
- Employers will be able to answer AAS525 notices requesting additional information on the reason for separation and upload documentation.

Short Term Compensation Program:

- Employers will be able to apply for and submit claims for the Short-Term compensation program through the employer interface.

Updated Quarterly Wage Reporting:

- Employers will have a new more simplified process for uploading employee information as part of the quarterly reporting requirement and be able to use credit cards to make payment through the Tax21 system.

New Hire Registry:

- Employers will be able to add new employees to the New Hire Registry within the Tax21 system, instead of needing a separate website.

Misclassification of Workers & Arkansas Law

A.C.A. § 11-10-210

Misclassification of a worker occurs when a worker is treated as contract labor when the law does not allow for such classification. Arkansas law determines the proper classification of a worker for unemployment insurance tax purposes. A.C.A. § 11-10-210 is applied to determine the correct classification of a worker. The presumption is that a worker is an employee unless the business entity paying the worker can establish all three parts of the test as follows:

“Service performed by an individual for wages shall be deemed to be employment subject to this chapter irrespective of whether the common-law relationship of master and servant exists, unless and until it is shown to the satisfaction of the Director that:

1. The individual has been and will continue to be free from control and direction in connection with the performance of such service, both under his contract for the performance of service and in fact, and
2. (A) The service is performed either outside the usual course of the business for which the service is performed or is performed outside of all the places of business of the enterprise for which the service is performed; or (B) The individual is customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the service performed.








If the employer cannot establish that the worker meets part 1 and either part 2(A) or part 2(B) of the test, then the worker must be classified as an employee and UI taxes reported and paid.



Looking to better understand the rules and requirements that apply to the classification of workers? Please reach out to ADWS Employer Accounts for additional information at [501-682-3798](tel:501-682-3798).

Misclassification of Workers

Employee or Independent Contractor?

EMPLOYEE	INDEPENDENT CONTRACTOR
Working for someone else's business 	Running their own business
Paid hourly, salary, or by piece rate 	Paid upon completion of a project
Uses employer's materials, tools, and equipment 	Provides own materials, tools, and equipment
Typically works for one employer 	Works with multiple clients
Continuing relationship with the employer 	Temporary relationship until project is completed
Employer decides when and how the work will be performed 	Decides when and how they will perform the work
Employer assigns the work to be performed 	Decides what work they will do



Examples of when a worker should be classified as an employee, not as contract labor:

- Worker is given a work schedule.
- Worker is supervised.
- Worker is provided training.
- Worker is given instructions in the performance of the duties.
- Worker's pay is not negotiated.
- Worker performs a service at the employer's place of business or at places designated by the employer for an extended period of time.
- Worker performs the service as a representative of the employer.
- Worker uses the employer's tools, equipment and/ or supplies.
- Worker is not established in own business of the same nature as the employer.

EMPLOYER FAQs

If I close my business, what do I need to do?

If an employer goes out of business or sells the business to a successor employer, a Report to Terminate Account (Form DWS-ARK-236) must be filed with ADWS. This can be completed online using the Tax21 system. Failing to terminate the account puts the employer out of compliance, and they will continue to receive delinquent notices for missing reports and requests for payment. For additional information on terminating an account, contact DWS Employer Accounts at (501)-682-3798.

How do I know if I am liable to pay the Arkansas State Unemployment Tax?

Have you filed a Report to Determine Liability form with ADWS? This is an informational report used by ADWS to determine whether you are liable to pay the Arkansas State Unemployment Tax. If you have not already done so, please review the Report to Determine Liability Form Instructions and then complete the Report to Determine Liability form. The Report to Determine Liability form must be filed no later than the last day of the second month in which you became an employer/employing unit.

[Report to Determine Liability Form Instructions](#)

[Report to Determine Liability Form](#)

How does ADWS determine whether I am liable?

ADWS uses the information provided on your Report to Determine Liability form to make this determination. Liability is established under any of the following conditions:

1. Any employing unit having had in employment one (1) or more persons some portion of ten (10) or more days;
2. Any employing unit which acquires the organization, trade or business, or substantially all the assets thereof, of another already subject to the act; or by adding together the employment records of the predecessor and the successor, the result of which would be employment in ten (10) or more days;
3. Any agricultural employing unit whose payroll equals \$20,000 in a calendar quarter; or has 10 or more employees in 20 different weeks in a calendar year;
4. Any employing unit whose payroll equals \$1,000 or more to individuals in domestic service in any calendar quarter in the calendar year or the preceding calendar year;
5. Any employing unit whose liability is not established by any of the foregoing provisions but who is liable under the Federal Unemployment Tax Act.

RULE 5

NOTICE TO EMPLOYEES



Rule 5 was revised and became effective on September 4, 2021.

Part of the revised Rule 5 requires employers to provide a notice with information on how to file for unemployment insurance to workers who are discharged or laid off. While providing the notice is required, there is no penalty for noncompliance.



[Scan the QR code to open Appendix A to Rule 5 - Notice to Employees](#)

Links

[Rule 5](#)

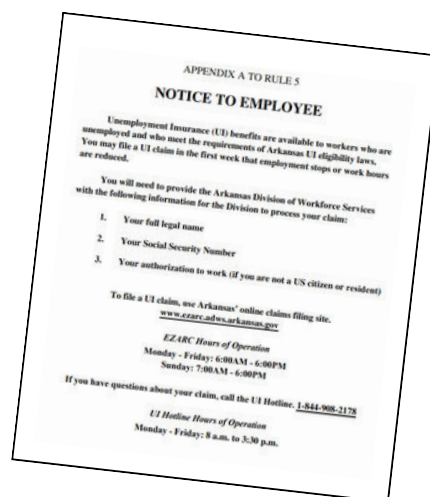
[Appendix A to Rule 5 - Notice to Employees](#)

[Appendix A to Rule 5 Vietnamese](#)

[Appendix A to Rule 5 Spanish](#)

[Appendix A to Rule 5 Marshallese](#)

[Appendix A to Rule 5 Laotian](#)



Business Services

- Job Orders & Job Posting
- Candidate Screening & Referrals
- Arkansas JobLink Employer Accounts
- Job Fairs & Customized Hiring Events
- Layoff Aversion & Rapid Response
- Mobile Arkansas Workforce Centers
- Work Opportunity Tax Credit



Scan the QR code to learn more about the free business services ADWS offers to employers.

or visit www.DWS.Arkansas.gov



CONTACT INFORMATION & MORE

UI Employer Accounts

501-682-3798

UI Technical Services

ADWS.UI.Technical.Services@Arkansas.gov

Arkansas JobLink

www.ARjoblink.Arkansas.gov

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