



Subject: Monitor Your SUTA Tax Rate

New Indiana law could dramatically impact the amount of Indiana unemployment tax (SUTA) you will pay during 2010. Benefits collected are at record highs, and a new law increases the Indiana wage tax base from \$7,000 to \$9,500 per employee, and most employers will also see increased tax rates as well for 2010.

Your “experience account” is a vital component in calculating your SUTA tax rate. This “experience account” increases with taxes you pay into it, and is decreased by unemployment benefits paid to former employees as well as a “shared” charge to every employer, called a “Mutualized benefit charge”.

Late each calendar year you will receive a “Merit Rate Notice” which will report your “experience account” balance as of the most recent June 30th, and will inform you of your new SUTA tax rate for the next calendar year. Since the information posted to your employer experience account is “hand-posted” by the Indiana Department of Workforce Development, errors can occur.

AccuPay’s website now contains a worksheet we have developed which can assist you in monitoring/calculating your annual “experience account”. Simply go to our website at www.accupay.com, click on “Forms & Downloads”, and you can download a copy of our “Experience Account Calculation Form” (located under Indiana Department of Workforce Development Forms).

Call an AccuPay “CPP/CPA services team” at 885-7600 with any questions about state unemployment tax.

PayDay is an email communication of payroll news, legal updates and tax considerations intended to inform clients and colleagues of AccuPay about current payroll issues and planning techniques. You should consult with your CPA or tax advisor before implementing any ideas, comments or planning techniques.