

Update: June, 2009

Unemployment Tax Alert



WEST VIRGINIA SB 246 INCREASES TAXABLE WAGE BASE

Situation

Senate Bill 246 signed into law by the Governor on May 11, 2009 increases the taxable wage base effective with the second quarter, 2009 from \$8,000 to \$12,000. This change after the first of the year may prove troublesome for some employers.

What Employers Need to Know

If you have already filed your first quarter, 2009 wage and contribution reports and your employee(s) met the \$8,000 limit in the first quarter, you will need to pay on an additional \$4,000 when you file your second quarter, 2009 wage and contribution reports. If your employee(s) did not meet the \$8,000 in the first quarter, you will need to pay until they have reached the \$12,000 taxable wage base.

In addition, the wage base for subsequent years, until the level of the unemployment trust reaches \$220 million on February 15th of any year, will increase or decrease by the same percentage that the state's average wage increases or decreases. The wage base will be \$9,000 for any year when the trust fund balance reaches \$220 million as of February 15th.

What You Can Expect

Through analysis and understanding of state unemployment tax changes, employers can be proactive in unemployment budget planning, impact studies and rate projections. In the event of an impending merger, acquisition, reorganization, or divestiture additional employment tax planning and compliance issues should be examined.

To obtain more information, please contact Dawn Steinbruegge at (314) 684-2517 or via email at dsteinbruegge@talx.com.