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for Vermont*

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## Commissioner's Message

*Patricia Moulton Powden, Commissioner*

### ***It's New ...It's Ready ... It's Easy ... What is it?***

I am very excited to be writing this month about our NEW Quarterly Wage and Contribution Report Internet application. Over the past several months we have been developing this system that will allow employers to file the quarterly employment and wage report (form C-101) on-line. Several staff members and employers have tested the system and initial feedback is extremely favorable. This system has many features that will make quarterly reporting more efficient, not only for employers, but also for the Department of Labor. The Internet application:

- Automatically uploads wage record and employee information from the prior quarter;
- Allows you to up-date or add new employees;
- Automatically calculates "Excess Wages";
- Allows uploading of wage data information using a comma delimited format (CSV);
- Allows access to prior reports filed through the internet application;
- Allows payment by Electronic Funds Transfer or paper check;
- Provides opportunity to print a copy of the report filed;
- Provides confirmation number to substantiate report was filed successfully;
- Allows notification to the department of changes pertaining to your business;
- Improves the accuracy for reports filed and wage record information; and
- Has help menus for each step in the process.

This SECURE on-line registration and application resides on our website at [www.labor.vermont.gov](http://www.labor.vermont.gov). To access it, go to the "Business" section and click "UI Quarterly Tax Reporting" under the "Online Services" option. Please be mindful that you MUST complete the registration process before you can use the application to file future quarterly reports on-line. Once your registration is confirmed, you will be provided a password, which will generally be indicated on your quarterly Wage and Contribution Report. For security purposes, this password will be changed EVERY quarter.

Filing of quarterly reports online will become available upon receipt of your quarterly report and password through 10 days beyond the due date. You can post your report up to 11 PM on the due date without incurring a penalty.

Further details about this application will be included with your 1st quarter of 2007 quarterly C-101 report. In the meantime, if you have questions, please feel free to contact our Employer Services Unit at 802-828-4344. I also invite you to browse the information currently available on our website; quick and easy access to this information can be obtained under the "NEWS" section on our home page at [www.labor.vermont.gov](http://www.labor.vermont.gov)

Being mindful that Employer Health Care Contribution reporting will be required when filing 2nd quarter of 2007 reports, we are in the process of modifying this application to accommodate the new Health Care reporting. The Health Care portion of Internet Quarterly Reporting application will include an assessment calculator which will assist you in determining Health Care contributions.

The Internet Quarterly Wage and Contribution Reporting application will not be replacing the option of submitting wage record reports by method of magnetic media. In fact, we will be encouraging employers to use one

# Commissioner's Message –

(continued from front page)

of these two methods of reporting to help facilitate accuracy of the individual wage information and ease the administrative burden associated with processing paper reports. If you will not be using our Internet application and employ 25 or more employees, I encourage you to obtain the magnetic media reporting specifications available on our website or by contacting our Employer Services staff.

While speaking of our Internet applications, I also want to let you know that we recently made modification to our New Hire Reporting application, which is available in the "Business" section of our website. We believe this application makes it easy and quick for employers to fulfill the mandatory reporting of new hires. When reporting new hires, I encourage you to include the "start date", which is the first day the individual actually began working. This information is now being cross-matched against our Unemployment Insurance benefit payment file to detect potential inappropriate filing. Inclusion of the start date ultimately helps protect the integrity of the trust fund.

This is an exciting and challenging time for staff in the Unemployment Insurance and Wages Division. We continue to

be committed in providing excellent customer service, automated applications, and information necessary for you to fulfill your reporting obligation. I encourage you to explore and take advantage of the ease our Internet applications can provide.



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## What's New in the Unemployment Insurance and Wages Division?

By Valerie Rickert, Director

### Employer Health Care Reporting ....

Since the rules became final in late December, we have been totally engaged in taking the steps necessary to enable employers to begin reporting the number of "FTEs" and the associated Health Care Contributions that will be due for "uncovered" employees. These new reporting elements will be required when submitting Quarterly Wage and Contribution reports for the 2nd quarter of 2007, due July 31, 2007.

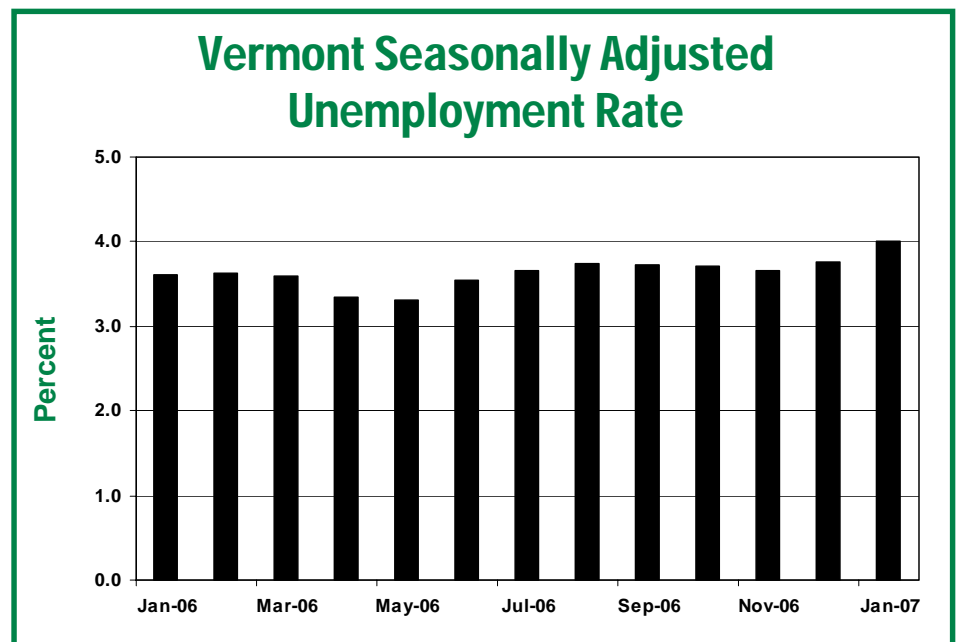
To provide information about these two new reporting fields, we mailed essential information mid-January to all employers. This information included several training seminars available throughout the state, excerpts of frequently asked questions, a sample copy of the revised C-101 form and related instructions. If you did not receive this mailing, please contact our Employer Services Unit at 802-828-4344.

All information regarding this NEW reporting can be found on our website at: <http://labor.vermont.gov/Default.aspx?tabid=1164> or by calling our Employer Services Unit.

(continued on page 6)

**Contact VDOL**

If your address has changed or to discontinue your subscription, please email: [sally.redpath@state.vt.us](mailto:sally.redpath@state.vt.us)



## Vermont Unemployment Estimates Statewide *(Seasonally Adjusted)*

	Jan. '07	Dec. '06	Jan. '06	Changes from:	
				Dec. '06	Jan. '06
<b>TOTAL LABOR FORCE<sup>1</sup></b>	363,000	363,600	359,100	-600	3,900
<b>EMPLOYED</b>	348,600	349,900	346,100	-1,300	2,500
<b>UNEMPLOYED</b>	14,400	13,700	13,000	700	1,400
<b>RATE (%)</b>	4.0	3.8	3.6	0.2	0.4

<sup>1</sup>Includes proprietors, professionals, and unpaid family workers.

## Labor Market Areas By Residence *(Not Seasonally Adjusted)*

AREA	Total Labor Force	Number Employed	Number Unemployed	Jan-07 Rate (%)	Dec-06 Rate (%)	Jan-06 Rate (%)
Barre-Montpelier	28,950	27,100	1,900	6.5	4.0	5.7
Bennington	13,050	12,450	600	4.7	3.6	4.1
Bradford	5,200	4,900	300	6.0	3.7	5.9
Brattleboro	24,300	23,250	1,050	4.3	3.4	3.6
Burlington-South Burlington	113,050	108,500	4,500	4.0	3.1	3.7
Hartford	19,750	19,200	550	2.8	1.9	2.1
Manchester	12,100	11,550	550	4.6	3.7	3.8
Middlebury	19,650	18,750	900	4.6	3.0	4.1
Morristown-Stowe	20,150	19,050	1,100	5.4	4.2	5.0
Newport	14,250	13,150	1,100	7.6	6.0	7.1
Randolph	9,100	8,650	450	5.2	3.8	4.2
Rutland	29,400	28,100	1,300	4.5	3.5	4.0
Springfield	10,800	10,250	550	5.1	4.2	4.2
St. Johnsbury	15,700	14,900	800	5.0	3.9	5.1
Swanton-Enosburg	14,550	13,550	1,000	6.8	5.6	6.6
Warren-Waitsfield	3,500	3,400	150	3.7	2.9	2.4
Woodstock	4,100	4,000	100	2.7	2.5	2.4
Vermont Total	359,950	342,900	17,050	4.7	3.5	4.2

### AREAS FROM ADJOINING STATES INCLUDING VERMONT TOWNS *(Not Seasonally Adjusted)*

Colebrook, NH-VT	NA	NA	NA	NA	NA
Lebanon, NH-VT	NA	NA	NA	NA	NA
Littleton, NH-VT	NA	NA	NA	NA	NA
North Adams, MA-VT	NA	NA	NA	NA	NA

Monthly estimates are preliminary and subject to revision. Detail may not add to totals due to rounding.

# Vermont Seasonally Adjusted Nonfarm Employment in Thousands

BY NAICS	Prelim.	Revised	Revised	Changes From:	
	Jan. '07	Dec. '06	Jan. '06	Dec. '06	Jan. '06
<b>Total - All Industries</b>	<b>308.2</b>	<b>308.4</b>	<b>306.8</b>	<b>-0.2</b>	<b>1.4</b>
<b>Private Industries</b>	<b>254.3</b>	<b>254.7</b>	<b>253.2</b>	<b>-0.4</b>	<b>1.1</b>
Construction	17.1	16.9	17.0	0.2	0.1
Manufacturing	35.8	35.9	36.6	-0.1	-0.8
Durable Goods*	26.1	26.0	26.3	0.1	-0.2
Non-Durable Goods*	9.7	9.9	10.3	-0.2	-0.6
Trade, Transportation & Utilities	59.8	59.8	59.4	0.0	0.4
Retail Trade	40.6	40.4	40.3	0.2	0.3
Trans., Warehousing & Utilities*	9.0	9.0	8.7	0.0	0.3
Financial Activities	13.4	13.2	13.3	0.2	0.1
Professional & Business Services	22.7	22.4	22.3	0.3	0.4
Professional., Scientific & Technical*	13.5	13.4	13.1	0.1	0.4
Administrative Support & Waste*	8.8	8.7	8.8	0.1	0.0
Education & Health Services	55.6	55.8	54.7	-0.2	0.9
Private Ed. Services	12.7	12.7	12.6	0.0	0.1
Health Care & Social Assistance	42.9	43.1	42.1	-0.2	0.8
Leisure & Hospitality	33.0	33.5	33.1	-0.5	-0.1
Arts, Entertainment & Recreation*	4.1	4.0	4.0	0.1	0.1
Accommodation & Food Services*	28.9	29.5	29.1	-0.6	-0.2
Other Services	9.8	10.0	9.9	-0.2	-0.1
<b>Total Government</b>	<b>53.9</b>	<b>53.7</b>	<b>53.6</b>	<b>0.2</b>	<b>0.3</b>
State Government*	18.1	18.3	17.7	-0.2	0.4
Local Government*	29.7	29.5	29.8	0.2	-0.1

Note: Revised January data. \* New series for 2007.

Note: Retail, Private Ed. Services and Health Care & Social Assistance are now estimated using the official BLS methodology.

Total - All Industries estimate is seasonally adjusted independently. All seasonal adjustment performed with X12-ARIMA.

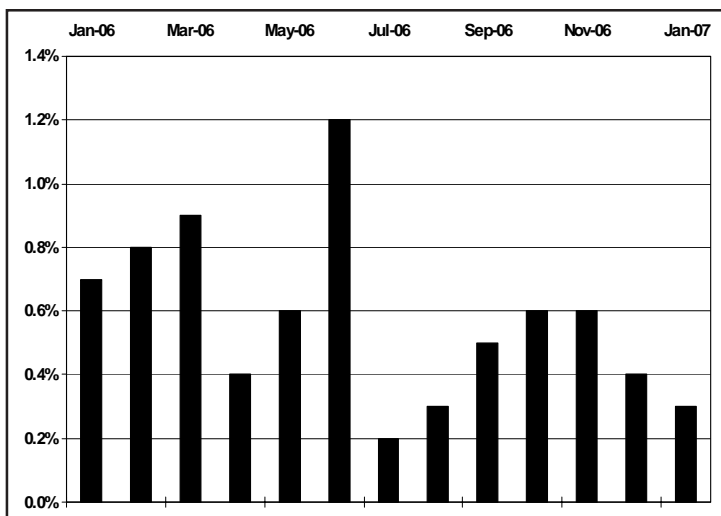
Seasonal factors available from VDOL/LMI on request.

Produced by the Vermont Department of Labor in cooperation with the U.S Bureau of Labor Statistics, unless otherwise noted.

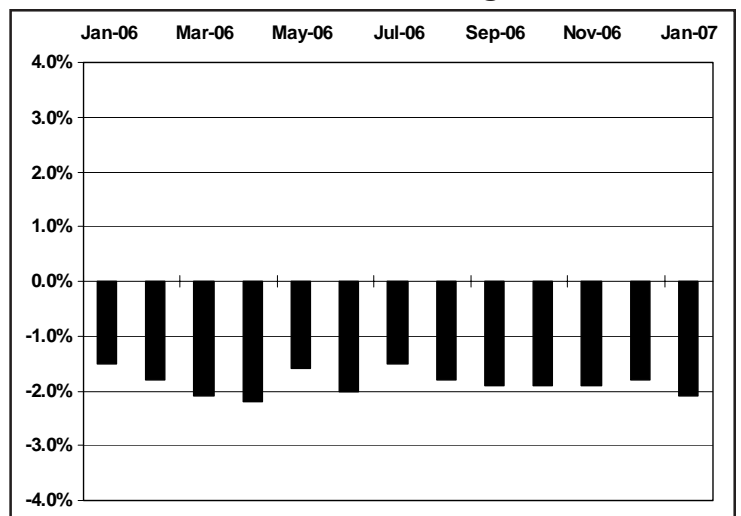
## Vermont Annual Job Growth

### Not Seasonally Adjusted Data

#### All Industries



#### Manufacturing



Note: Revised January data.

# Nonfarm Employment In Vermont *(Not Seasonally Adjusted)*

Compiled by the Vermont Department of Labor in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

INDUSTRY BY NAICS	Prelim. Jan. '07	Revised Dec. '06	Revised Jan. '06	Changes From: Dec. '06	Jan. '06
<b>TOTAL NONFARM</b>	<b>306,300</b>	<b>315,000</b>	<b>305,300</b>	<b>-8,700</b>	<b>1,000</b>
<b>TOTAL PRIVATE</b>	<b>251,850</b>	<b>258,400</b>	<b>251,000</b>	<b>-6,550</b>	<b>850</b>
<b>GOODS PRODUCING</b>	<b>51,000</b>	<b>53,950</b>	<b>51,700</b>	<b>-2,950</b>	<b>-700</b>
MANUFACTURING	35,250	36,200	36,000	-950	-750
Durable Goods	25,750	26,200	25,900	-450	-150
Computer & Electrical Equipment Mfg.	9,250	9,250	9,150	0	100
Fabricated Metal Products Mfg.	3,050	3,000	2,950	50	100
Non-Durable Goods	9,500	10,000	10,100	-500	-600
Food Mfg.	3,650	3,850	3,700	-200	-50
CONSTRUCTION	14,950	16,850	14,950	-1,900	0
NATURAL RESOURCES & MINING	800	900	750	-100	50
<b>SERVICE-PROVIDING</b>	<b>255,300</b>	<b>261,050</b>	<b>253,600</b>	<b>-5,750</b>	<b>1,700</b>
TRADE, TRANSPORTATION AND UTILITIES	59,150	61,850	59,000	-2,700	150
Wholesale Trade	10,350	10,450	10,200	-100	150
Retail Trade	39,950	42,150	39,950	-2,200	0
Food & Beverage Stores	9,550	9,750	9,400	-200	150
General Merchandise Store	2,800	3,050	2,800	-250	0
Transportation, Warehousing and Utilities	8,850	9,250	8,850	-400	0
Utilities	1,700	1,750	1,700	-50	0
Transportation & Warehousing	7,150	7,500	7,150	-350	0
INFORMATION	6,050	6,100	6,100	-50	-50
FINANCIAL ACTIVITIES	13,200	13,250	13,150	-50	50
Finance & Insurance	9,950	9,950	9,950	0	0
Real Estate, Rental & Leasing	3,250	3,300	3,200	-50	50
PROFESSIONAL AND BUSINESS SERVICES	21,700	22,400	21,550	-700	150
Professional, Scientific and Technical	13,150	13,450	13,000	-300	150
Administrative, Support and Waste	8,250	8,650	8,250	-400	0
EDUCATIONAL AND HEALTH SERVICES	55,450	56,450	54,200	-1,000	1,250
Educational Services	12,550	13,250	12,300	-700	250
College, Universities and Professional	7,050	7,300	6,900	-250	150
Health Care and Social Assistance	42,900	43,200	41,900	-300	1,000
Ambulatory Health Care Services	15,200	15,600	15,200	-400	0
Hospitals	11,400	11,300	11,100	100	300
Nursing and Residential Care Facilities	6,700	6,750	6,650	-50	50
LEISURE AND HOSPITALITY	35,550	34,450	35,600	1,100	-50
Arts, Entertainment and Recreation	3,550	3,550	3,450	0	100
Accommodation and Food Services	32,000	30,900	32,150	1,100	-150
Accommodations	14,000	12,800	14,100	1,200	-100
Hotel & Motels	13,050	11,900	13,100	1,150	-50
Food Services and Drinking Places	18,000	18,100	18,050	-100	-50
OTHER SERVICES	9,750	9,950	9,700	-200	50
<b>GOVERNMENT</b>	<b>54,450</b>	<b>56,600</b>	<b>54,300</b>	<b>-2,150</b>	<b>150</b>
Federal Government	6,000	6,050	6,050	-50	-50
State Government Education	7,950	9,650	7,700	-1,700	250
Local Government Education	24,350	24,550	24,450	-200	-100
Other State Government	9,500	9,450	9,350	50	150
Other Local Government	6,650	6,900	6,750	-250	-100

NOTE: DATA COMPILED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS. THESE ESTIMATES ARE FINAL FOR JANUARY. SEE ANNUAL SUMMARY FOR DETAILS.

## What's New in the Unemployment Insurance and Wages Division? - continued from page 2

### At this time the following information is available:

- Training Opportunities
- Frequently Asked Questions
- "Uncovered" / "Covered" tree
- Sample Declaration of Coverage
- Health Care Assessment Worksheet
- Power Point Presentation
- Revised C-101 and Instructions
- Link to Vermont Health Care Reform
- Administrative Rules
- Seasonal Employee Study

If there are any statutory changes to the reporting requirements, you will be notified, along with such changes being posted on the website referenced above. In the meantime, if you employ 9 or more individuals, I **strongly encourage** you to become familiar FTE Health Care reporting. Following are excerpts to some of the frequently asked questions.

**Who has to report Health Care (HC) Contributions?** If you have no more than 8 employees, no calculations will be required through June 30, 2008. This will drop to 6 employees on July 1, 2008 and to 4 employees on July 1, 2009. If you have more than 8 employees, you must calculate the number of "uncovered" Full Time Equivalent (FTE) and you will be required to report if you have more than 8 "uncovered" FTEs.

**When will reporting be required?** You will be required to report uncovered FTEs in excess of 8 for the second quarter of 2007 when you file your quarterly Unemployment Insurance (UI) report for that quarter. If your FTE calculation is equal to or below the exemption, you must report "zero" on the appropriate C-101 reporting lines.

**Which employees are potentially reportable for HC Contribution purposes?** HC Contributions are potentially reportable for the same employees whom you report for UI purposes, provided they are 18 or older for the entire quarter, and work was performed in the State of Vermont. The

amount of HC Contributions due will be based on uncovered FTEs.

**What is an FTE?** FTE stands for Full Time Equivalent. To calculate your number of FTEs, add together all uncovered employee hours worked during a quarter and divide by 520. Hours over 520, per employee during the reporting quarter, do not have to be counted.

**How do I calculate the HC Contribution I owe?** A worksheet with instructions will be provided with your quarterly report. You will be required to have this worksheet or equivalent information available upon request. A copy of the worksheet and a copy of the rules governing HC contributions are available under "Related Links" in the right hand pane of this window. Your contribution will equal \$91.25 per quarter for each uncovered FTE in excess of 8. (The exemption number will drop to 6 in the third quarter of 2008 and 4 in the third quarter of 2009.)

**What is an "uncovered" employee?** By rule and statutory requirement, an "uncovered" employee is:

- a) An employee of an employer who does not offer to pay any part of the cost of health care coverage for its employees.
- b) An employee who is not eligible for health care coverage offered by an employer to any other employees as defined by the health care plan offered by the employer; or
- c) An employee who is offered and is eligible for coverage by the employer but elects not to accept the coverage and has no other health care coverage under either a private or public plan.
  - i. An employee who has health care coverage during any portion of a calendar quarter shall not be considered an uncovered employee for purposes of that quarter's premium contribution.
  - ii. An employee who has enrolled in a health care coverage plan, but is not actually covered under such plan until a subsequent effective date of coverage, shall not be considered an uncovered employee, provided such intervening period is no longer than six months.

**What is a "waiting period" in relationship to HC reporting?** "Waiting period" is similar to what is commonly referred to as "open enrollment". It's the period of time where someone has enrolled, but coverage doesn't begin until a certain date. Example: Employee enrolls on the 15th of the month, but coverage becomes effective on the 1st of the following month. "Waiting period" is NOT the probationary period an employee must work before they become eligible to enroll in the health care plan the employer offers to pay a portion of. Example: Employer has a 90 day probation period, after which the employee can opt to enroll in the employer's plan.

## ***What's New in the Unemployment Insurance and Wages Division? - continued from page 6***

**What if an uncovered employee works a 42 hour workweek?** Each employee's hours should be totaled at the end of the quarter, with no employees' individual total exceeding 520 hours during the reporting quarter.

**Do I report hours worked if they have not yet been paid?** Act 191 of 2006 indicated in part to use the same reporting methods already in place where ever possible. Therefore, the hours worked for HC Contribution calculations are associated and representative of gross wages reported as being paid during the reporting quarter.

**Do I have to include non-worked hours, such as vacation pay or sick pay, in the FTE calculation?** No.

**What constitutes health care coverage and how will I know if an employee is covered?** For purposes of HC Contribution reporting, coverage includes Catamount Health plans, Medicare, Medicaid, the Vermont Health Access Plan (VHAP), or Dr. Dynasaur or a private or employer-sponsored insurance plan that includes both hospital and physician services. Employers who offer to pay a portion of a health care plan must annually obtain a declaration of coverage from covered employees who are not enrolled in the plan you provide. Such declarations must be retained for four years.

**What if the employer does not offer to pay a portion of a health care plan, but employee has health care coverage elsewhere?** If the employer does not offer to pay a portion of a health care plan, all hours worked by the employee MUST BE included in the FTE calculation, regardless of the fact the employee is covered elsewhere.

**What does a Declaration of Coverage have to include?** The declaration must state whether the employee has health care coverage and be signed by the employee. A sample Declaration of Coverage is available under "Related Links" in the right hand

pane of this window. Declarations must be renewed annually and retained in your files for four years.

**Is record keeping, for HC purposes, required if the employer employs equal to or less than the exempt number of FTEs?** No. Calculation and record retention is only needed when the employer employs more than the exempt FTEs. Currently the exemption is 8. (The exemption number will drop to 6 in the third quarter of 2008 and 4 in the third quarter of 2009.)

**If I, as an employer, pay HC contributions, does that mean that my employees will be covered by a Catamount Health Care plans?** No. Your HC contributions will be used to subsidize the Catamount plan and other aspects of the health care reform initiatives, but there will be eligibility requirements for individuals seeking coverage. Those requirements are dictated in statute and will be further defined by the Agency of Human Services. The Department of Labor's only role in this matter is the collection of employer contributions.

### **Increase in Minimum Wage became effective January 1, 2007....**

Vermont's minimum wage increased from \$7.25 to \$7.53 per hour, or 3.8 percent, on January 1, 2007. In 2005 the General Assembly approved an annual cost of living increase in the minimum wage law. This resulted in the minimum wage increasing at the same rate as the 12 month increase in the Consumer Price Index (CPI). The CPI increased by 3.8 percent for the 12 month period ending in August of 2006. Even though the minimum base rate for Service or Tipped employees remained at \$3.65 per hour, such is not true for the "maximum tip credit". It increased to \$3.88 per hour, which ensures that all workers in the State of Vermont receive the state minimum wage rate of \$7.53. Like the state minimum wage, the "maximum tip credit" is also adjusted by the CPI on an annual basis.

Service or Tipped Employees is an employee of a hotel, motel, tourist place or restaurant who customarily and regularly receives more than \$30.00 per month in tips for direct and personal customer services. The basic wage rate is the minimum required employer contribution towards the minimum wage. If an employee does not receive sufficient tips in the work week to at least achieve the minimum wage for all hours worked that week, the employer must make up the difference.

### **Internet Quarterly Wage and Contribution Reporting Application ....**

***It's Ready ... It's Easy ... and it has help menus for each step in the process!*** Read more about what this application provides in the Commissioner's message.



**VERMONT**

**DEPARTMENT OF LABOR**

P.O. Box 488 • Montpelier, VT 05601-0488

Official Business

Penalty for Private Use \$300

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**Equal Opportunity is the Law** - The State of Vermont is an Equal Opportunity/Affirmative Action Employer. Applications from women, individuals with disabilities, and people from diverse cultural backgrounds are encouraged. Auxiliary aids and services are available upon request to individuals with disabilities. 711 (TTY/Relay Service) or 802-828-4203 TDD (Vermont Department of Labor).