



COLORADO

Department of
Labor and Employment

Division of Unemployment Insurance

Employer Handbook





TIPS

Employer Handbook

This handbook provides general information and does not constitute legal advice. For questions involving legal interpretations or litigation, always refer to the Colorado Revised Statutes (CRS). The statutes dealing directly with Unemployment Insurance (UI) law (Articles 70 to 82 of Title 8, CRS) are known as the [Colorado Employment Security Act \(CESA\)](#).

For more information, please visit us online or contact us.

- **Our webpage:** coloradoui.gov/employer
- **Online account management and reporting:** <https://myuiemployer.coworkforce.com>
- **Employer Services phone assistance:** 303-318-9100 or toll-free 1-800-480-8299

Tips for Reducing Unemployment Insurance Costs

- Keep good records
- Complete reports accurately
- File quarterly reports on time to avoid interest and penalty charges
- Register with MyUI Employer to manage your account online
- Complete UI transactions online when possible
- Respond to the Request for Job-Separation Information on time to ensure that your job-separation information is considered
- File appeals on time and attend appeal hearings
- Help the Division detect and prevent fraud to in turn reduce costs to you
- Consider the potential savings from a voluntary premium payment



ONLINE SERVICES

Online Services

The Colorado UI Employer Toolkit is a convenient way for you to access everything needed for your unemployment account—saving you paperwork, stamps, and most importantly, time!

Manage your account online using the resources in the [Toolkit](#):

- Create a new premium account
- Sign up for MyUI Employer to manage your unemployment account
- Access new-hire requirements
- Sign up to respond to job-separation information online

MyUI Employer offers many account maintenance benefits beyond reporting and paying your premiums. The online system can also be utilized to change your address, sign up to receive electronic separation documents or to receive email reminders for quarterly reporting, file an online appeal, view the status of reports received, obtain copies of reports filed online, request rate notice and tax forms, and close or change ownership of your account.

[MyUI Employer](#) is your account maintenance service. You can:

- File both wage and premium reports
- Pay premiums
- View account balance
- Review payment history
- Review rate information
- Respond to earnings verification requests

To register, go to coloradoui.gov/myUIEmployer. Once you finish the initial registration, you may contact Employer Services at 303-318-9100 to obtain your PIN number and immediately complete your registration.

A woman with dark hair, wearing glasses and a patterned headscarf, is looking down at a laptop screen. She is wearing a white t-shirt with the word "BATTERY" visible. The background is a bright, indoor setting with a window and some greenery.

ONLINE SERVICES

State Information Data Exchange System (SIDES) is a web-based system that allows electronic transmission of information requests from UI agencies to employers and transmission of replies containing the requested information back to the UI agencies.

- **Individual employers:** To sign up for the online SIDES E-Response program, fill out this [form](#). This service provides quick and efficient resolutions of separation issues, lets you receive a date-stamped confirmation, and helps you avoid the cost of unnecessary appeal hearings.
- **TPAs** and employers with large numbers of claims will want to visit info.uisides.org for more information on how to enroll and participate through SIDES web services.

NEW BUSINESS

New Business/ New Hires

Find out everything you need to know about starting a new business by visiting coloradoui.gov/employer. Be sure to check out the links under Starting a Business and Recruiting/Hiring for information on setting up an account, reporting new hires, workers' compensation coverage, proper worker classification, labor laws, and more. More new hire resources and information can be found in the [online toolkit](#).

Help reduce your costs by taking three critical steps:

- Report all hiring to the State Directory of New Hires by the due date. Timely reporting helps prevent payment of unemployment benefits after an individual has returned to work. Visit: <https://newhire.state.co.us>.
- Respond promptly to any Request for Verification of Weekly Earnings that you receive. A prompt response will help prevent improper payment of unemployment benefits.
- Provide complete, accurate, and timely separation information. Costly appeals and overpayments are easily avoided by providing job-separation information to help determine a former employee's eligibility for benefits.

To register your business for an Unemployment Insurance account, apply online using the [Colorado Business Express](#). You can also create a wage withholding account and sales tax license from that page. Another way to register your business is to fill out the [Application for Unemployment Insurance Account and Determination of Employer Liability](#), Form UITL-100, available in the employer section of our website under Forms/Publications. Applications can be mailed, faxed to 303-318-9206, or emailed to cdle_employer_services@state.co.us.

NOTE: If you acquired an already existing employer/business or are setting up an account as a Domestic, Agricultural, Nonprofit, or Government Employer, you must fill out the paper application.

TYPES OF PAYMENTS

What Types of Payments are Considered Wages?

WAGES (subject to UI Premiums)	NOT WAGES (exempt from UI Premiums)
Payments defined as wages under the Federal Unemployment Tax Act (FUTA)	Payments for moving expenses if deduction is allowed in the federal Internal Revenue Code (IRC); IRC 127
Tips	Group Term Life Insurance
Employee contribution to 401(k) or IRC 408 simplified Retirement Plans	Employer contribution to 401(k) or IRC 408 simplified Retirement Plans; all PERA contributions
Disability payments paid in first 6 months after an employee worked for you	Amounts paid or incurred for a dependent care plan (IRC 129) or a educational assistance program (IRC 127)
Employer contributions to a Medical Savings Account	Employee Contributions to a Medical Savings Account
Employee-matching contributions into IRC 219 simplified employee pension plan	Employer contributions into IRC 219 simplified employee pension plan
Payments made by public school or 501(c)(3) into annuity contract or by governmental entity into deferred compensation plan because of a salary-reduction agreement	Payments into a deferred compensation plan if you are a government entity
Payments for personal services, including anything other than cash that has cash value (except payments to agricultural or domestic workers, which must be cash to be wages)	Value of meals or lodging furnished by employer if such items are excluded from income as described in IRC 119
Employee contributions to a Salary Reduction Simplified Employee Pension Plan (SARSEP)	Employer contributions to a Salary Reduction Simplified Employee Pension Plan (SARSEP)
125 Cafeteria Plan if cash is chosen	125 Cafeteria Plan if qualified benefit chosen




CLASSIFICATION OF WORKERS

Ensure Proper Classification of Workers

The definition of employment in Colorado law is broad and inclusive; it is not limited to the common-law relationship of master and servant (as used by the Internal Revenue Service). Colorado law assumes that service performed by an individual for another is deemed to be employment, unless:

1. It is shown that the worker performing the service is free from control and direction in that performance;
- and-
2. The worker is customarily engaged in an independent trade, occupation, profession, or business related to that service.

Generally speaking, it is the business's responsibility to establish that both these conditions exist; however, we also evaluate the overall totality of circumstances to make a determination of whether the worker is an employee or an independent contractor. The totality of circumstances test is based in part upon an assessment of 9 different factors contained within Colorado law.



CLASSIFICATION OF WORKERS

9 Factors that Demonstrate Correct Worker Classification

An employer must not:

1. Require the individual to work exclusively for the person for whom services are performed; except that the individual may choose to work exclusively for said person for a finite period of time specified in the document;
2. Establish a quality standard for the individual; except that such person can provide plans and specifications regarding the work but cannot oversee the actual work or instruct the individual as to how the work will be performed;
3. Pay a salary or hourly rate but rather a fixed or contract rate;
4. Terminate the work during the contract period unless the individual violates the terms of the contract or fails to produce a result that meets the specifications of the contract;
5. Provide more than minimal training for the individual;
6. Provide tools or benefits to the individual; except that materials and equipment may be supplied;
7. Dictate the time of performance; except that a completion schedule and a range of mutually agreeable work hours may be established;
8. Pay the individual personally but rather make checks payable to the trade or business name of the individual; and
9. Combine his business operations in any way with the individual's business, but instead maintains such operations as separate and distinct.

The independent contractor is obligated to pay federal and state income tax on any moneys paid pursuant to the contract-labor relationship. For more information, please visit www.coloradoui.gov/properclassification.

A photograph showing a person's hands holding a white smartphone and an orange credit card. In the background, a laptop keyboard is visible. The scene is lit with warm, golden light, suggesting an indoor setting like a cafe or office.

WHO PAYS

Quarterly Unemployment Insurance Reporting and Premium Payments

An employer is liable to pay unemployment insurance premiums if that employer has met certain specific requirements, such as amount of wages paid, type of work, and length of time employed with the company. Some workers are not covered, including workers following certain domestic servant agreements, foreign agricultural workers with H2-A visas, and certain entities operating primarily for religious purposes. For a full list of liable employer types, click [here](#) or visit the premiums page under the employer section on the website.

NOTE: It is unlawful for any employer to require an employee to release or waive any rights to UI benefits or to require payment or repayment into a UI benefits fund.

REPORTING

Quarterly Unemployment Insurance Reporting and Premium Payments

Wages subject to unemployment are called “covered employment” and are reported on a quarterly basis. The quarterly reports and premiums owed for the quarter are due on the last day of the month following the end of the calendar quarter (example: first quarter ends March 31, so first quarter reports are due by April 30). Employers are responsible for filing premium reports and wage reports. Please visit [When to File Quarterly Wage and Premium Reports](#) to see the first and last dates to file reports.

- Reports can be filed online using [MyUI Employer](#) and online users can opt out of receiving paper forms.
- If your business employs over 100 employees, individual employee wages can be submitted via the Secure Transport File Transfer Protocol (FTP). To register for FTP, visit coloradoui.gov/ftp. The full premium report and payment must still be filed online using [MyUI Employer](#) or sent by mail on the paper form.
- Until you opt out of receiving paper forms, those reports are sent to the mailing address on file each quarter.

UI Premiums are only paid on a certain amount of wages per employee per year (called chargeable wages). Premiums can be paid online.

Wages that an employee earns in a calendar year beyond the set amount are called excess wages and are not used to calculate premiums owed. Premiums are calculated by multiplying the chargeable wages by the employer’s assigned rate for calendar year. See [Premium Rates](#) for more information about how rates are determined.

For assistance figuring out chargeable versus excess wages, download the [Premiums Calculator](#), where you can keep track of your employees’ excess wages for the entire year.



PREMIUM RATES

Premium Rates

Each year, the Division of Unemployment Insurance is required to notify you of your UI premium rate via Form UITR-7, Your Unemployment Insurance Rate Notice.

- As a newly liable employer, you will receive a standard rate based on your business's North American Industry Classification System (NAICS) industry code.
- When you become an experience-rated employer, your rate is affected by your account history, and you are assigned a computed rate. If you pay more premiums into your account than you have benefits charged, the result is a low rate. However, if you have more benefits charged to your account than you paid in premiums, the result is a high rate. A computed rate is based on a formula using the activity on the employer's account.

For more details on exactly how your rate is calculated or for information on protesting your rate, please refer to the [Premium Rates](#) page. If you need a copy of your notice, contact Employer Services at 303-318-9100 or visit your [MyUI Employer](#) account online.

CLAIMS

Claims for Benefits Against Employer Accounts

UI benefits are paid to employees who become unemployed through no fault of their own. Everyone has the right to leave a job for any reason, but the reasons for separation are considered in determining whether UI benefits are paid.

In order for us to be able to make this determination, you and the former employee (“claimant”) both provide information about the reason for the job separation and how the job separation occurred. A claimant usually provides this information at the time of filing an initial claim for UI benefits.

If a former employee files an unemployment claim, you will be sent a notice to provide separation information to us. You are responsible for responding to the request in a timely manner. You will receive either a paper form or an email request:

- Form UIB-290, Request for Facts About a Former Employee’s Employment. Complete the paper form and mail to the address or fax to the number provided on the form. **The form must be received by us by the due date listed on the form. Failure to provide the information in a timely manner results in the loss of your status as an interested party to the UI claim, e.g., loss of your right to protest a decision awarding benefits.** For more information regarding job separations and claims, see [Responding to Job Separations](#).
- or--
- An email that a request for separation information needs to be completed online through the SIDES E-Response system (see Online Services, above). If you signed up to provide this information electronically, log in to SIDES E-Response, complete the separation information, and submit it by the due date.

In some cases, an award of benefits may be the result of a lack of response on the part of you, the employer. Such awards are likely to increase your UI rate (and thus the premiums you pay). We will issue a Notice of Decision stating whether the former employee will be paid benefits. If you disagree with a Notice of Decision issued to you, you have the right to appeal the decision and request a hearing before a hearing officer. To appeal a decision, you must submit a written statement that includes the specific reasons for appealing the decision along with any supporting documentation. You may file that appeal online at MyUI Employer or by following the instructions on the back of the Notice of Decision.



MORE TO KNOW

More to Know About Unemployment Insurance

Changes and Amendments to your UI Account

- If your business has closed or sold, or had an address or business name change, fill out the [Employer Change Request](#), Form UITL-2, to update your account.
- Adjustments to premiums reports, wage reports, or employee social security numbers must be done manually using the following forms:
 - Unemployment Insurance Quarterly-Report Adjustment, Form UITR-3
 - Multiple Quarter Adjustment of Workers' Wages, Form UITR-6a
 - Social Security Number Corrections, Form UITR-6c
- To add a Power of Attorney, fill out [Power of Attorney](#), Form UITL-18.
- These and other forms are available to print at coloradoui.gov/employer under [Form/Publications](#) or can be submitted online via MyUI Employer.

In which State must a Multistate Worker be Reported? See our flow chart for assistance.

Seasonal Status

- To qualify for seasonal status, your business must operate for less than 181 days during a calendar year or must have seasonal occupations for which you employ workers for less than 181 days during a calendar year.
- To request seasonal status, you must complete and submit a [Request for Seasonal Status](#), Form UITL-5.
- Once the Division of Unemployment Insurance grants you seasonal status, your employees cannot draw UI benefits based on wage credits earned during the determined season unless they are unemployed during the season.



MORE TO KNOW

More to Know About Unemployment Insurance

Audits and Records keeping

- Auditors from the Division of Unemployment Insurance may come to your place of business to examine your books and account records. A complete payroll audit involves an inspection of subsidiary records, including the examination of cash-disbursement records of money paid to workers for services performed that you did not classify as employment or wages.
- You are required to keep business records for at least five years.

Voluntary Premium Payments

- You may lower your base premium rate for a particular calendar year by making a voluntary premium payment. However, you are eligible to make a voluntary premium payment only if you have been assigned a computed rate (rate code 1). This payment must be received on or before March 14 to qualify for a rate reduction for that year.
- Instructions for calculating voluntary premium payments are available on [Voluntary Payment Instructions](#), Form UTR-7a, found under Forms/Publications in the employer section of the website.



MORE TO KNOW

More to Know About Unemployment Insurance

Delinquent Premium Penalty

- The Unemployment Insurance delinquent premiums penalty is an amount that has been imposed on delinquent premiums owed. According to CESA 8-79-104 (1)(c), if you have delinquent premiums as of the premium rate computation date (July 1), an additional penalty amount is assessed in the following calendar year.
- The penalty computed is equal to the premiums that were due or 1 percent (0.010) of the chargeable wages in the previous calendar year, whichever is less. In compliance with CESA 8-79-104 (1)(c), this penalty is payable in four quarterly payments during the current calendar year.

Employee Leasing Companies

If your business or a portion of your business meets the following two conditions, you are considered to be an employee-leasing company:

- You provide services to a work-site employer under a written contract that stipulates that you will procure specified employees for the work-site employer with the intent to employ the specified employees on a long-term basis and not assign them to a series of limited-term assignments.
- You designate yourself as the employer of such employees and retain the right of direction and control of such employees with regard to the responsibilities listed on the [Employee-Leasing Company Application, Annual Report, and Certification](#), Form UITL-39.



MORE TO KNOW

More to Know About Unemployment Insurance

Installment Payment Agreement

- If your company is unable to pay past UI premiums, the Division of Unemployment Insurance offers Installment Payment Agreements (IPA) to avoid legal action being pursued against the business. If you are interested in an IPA, please contact Employer Services at 303-318-9100.
- After discussing the terms of the IPA, you will receive a copy of the agreement informing you of the total amount due by quarter; the down-payment amount; the monthly installment payment amounts; the respective due dates; and the terms and conditions of the IPA. Upon receipt of the IPA, sign and return the form with your down payment.

Contact Us

Employer Services

coloradoui.gov/employer

303-318-9100 or toll free 1-800-480-8299

cdle_employer_services@state.co.us



SERVICES

Colorado Department of Labor and Employment Services

The Colorado Department of Labor and Employment connects job seekers with great jobs, provides an up-to-date and accurate picture of the economy to help decision making, assists workers who have been injured on the job, ensures fair labor practices, helps those who have lost their jobs by providing temporary wage replacement through unemployment benefits, and protects the workplace - and Colorado communities - with a variety of consumer protection and safety programs.

Talent Acquisition Services

Colorado Department of Labor and Employment's Colorado Workforce Centers provide services to support business sustainability, transitions and growth - all at no cost to your businesses!

With over 50 Workforce Centers, we are dedicated to helping businesses across Colorado succeed and thrive. Through our network of resources we provide up-to-date economic, workforce, and labor market data and recruiting trends allowing you to make informed business decisions that impact your bottom line. Find a local workforce center at yourworkforcecenter.com and get access to any of these services and more:

- Recruiting and screening
- Post a job
- Job fairs and hiring events
- Labor market information
- Planning and strategic development
- Onboarding and training
- Layoff and separation



Colorado Department of Labor and Employment Services

Workers' Compensation

All public and private employers in Colorado, with limited exceptions, must provide workers' compensation coverage for their employees if one or more full- or part-time persons are employed. A person hired to perform services for pay is presumed by law to be an employee. This includes all persons elected or appointed to public sector service and all persons appointed or hired by private employers for remuneration. There are a few exemptions to this definition.

Workers' compensation insurance coverage is paid by the employer. Employers purchase insurance coverage through a commercial insurance carrier or, if qualified, through self-insurance programs. No portion of the premium may be deducted from an employee's wages.

Learn more at colorado.gov/cdle/dwc.





SERVICES

Colorado Department of Labor and Employment Services

Cost Containment

The Premium Cost Containment Program is an effort from CDLE's Division of Workers' Compensation to partner with employers to prevent workplace injuries and reward safety conscious employers with cost savings. Through this program, employers will find ways to control work-related injuries while qualifying for a workers' compensation premium discount by having a certified Safety and Loss Control Program.

Under this program, employers who implement and maintain a standardized safety program and achieve certification status are eligible for a reduction on their workers' compensation premiums of between 5 and 10 percent. Want to save even more? Improving safety in the workplace can eliminate workplace injuries altogether, saving your business even more time and money.

Currently, over 7,500 Colorado employers participate in the program. Employers certified in the Cost Containment Program saw a total of \$24,591,688 in the overall reduction of total claim costs in 2016. This is in addition to the discount applied to the workers' compensation premiums.

Call our Premium Cost Containment Department directly at (303) 318-8644.



Colorado Department of Labor and Employment Services

Labor Standards and Statistics

Labor Standards administers laws and regulations governing payment of wages, minimum wage, youth employment, certain union issues and grievances, and employment-related immigration laws.

For questions about labor standards call us at 303-318-8441 or email at cdle_labor_standards@state.co.us.

Labor Market Information/Labor Statistics produces official job market statistics and provides easy-to-use information about jobs.

For questions about labor market information call us at 303-318-8850 or email us at cdle_lmi@state.co.us.

Vocational Rehabilitation

Enhancing and building the diversity of the Colorado labor force is an important part of any employer's search for qualified, career employees. Employers across the state have found that hiring workers with disabilities generates a number of valuable benefits including empowering and engaging the local community, benefitting from the unique talents and experiences of workers with disabilities, and receiving financial and training incentives.

Our Division of Vocational Rehabilitation can help you with:

- Recruiting and screening
- Post a job
- Job fairs and hiring events
- Labor market information
- Planning and strategic development
- Onboarding and training
- Layoff and separation

For more information go to colorado.gov/dvr.

