
Employer Reemployment Tax Charging Related to COVID-19 Frequently Asked Questions

Administered by the Florida Department of Economic Opportunity



What is Employer Reemployment Tax charging?

The Florida Reemployment Assistance program is a federal-state partnership between the U.S. Department of Labor and the Florida Department of Economic Opportunity (DEO). The state of Florida has an Unemployment Compensation Trust Fund, which pays Reemployment Assistance benefits to eligible unemployed workers. The Unemployment Compensation Trust Fund is funded by reemployment taxes paid by Florida employers. There are two types of employers, contributory and reimbursing. Read the frequently asked questions below about Employer Reemployment Tax and how it relates to COVID-19.

What is a Contributory Employer?

A Contributory Employer is required to pay reemployment taxes on their employees for wages paid during each calendar quarter of employment.

What is a Reimbursing Employer?

A Reimbursing Employer must pay the Unemployment Compensation Trust Fund on a dollar-for-dollar basis for the Reemployment Assistance benefits paid to its former employees. Nonprofit organizations, governmental entities, and Indian tribes are Reimbursing Employers.

What is an RT-1 Form?

A RT-1 Form is a "Notice of Benefits Paid" for Contributory Employers. The RT-1 Form shows a breakdown of charges made to an employer's account for an indicated time period. The form will show both charges and credits made to the employer Reemployment Tax account. This form is very important to employers because an employer's tax rate is affected by the information on this form. RT-1 form is issued by the Florida Department of Revenue.

Contributory Employers that disagree with charges on their account should follow the protest instructions contained within the [Employer Guide for the Reemployment Tax-1 \(RT-1\) Form and Protesting Charges](#). Even though contributory employers may be relieved of charges for employment separations that were a direct result of COVID-19, they still need to respond to the Notice of Claim.

What is a RT-29 Form?

Reimbursing employers are mailed a Reemployment Tax Reimbursement Invoice (RT-29) listing the benefits paid to former employees. The total amount shown on the invoice must be paid.

Employers should examine the RT-29 carefully and report any errors within 20 days to DEO. This notice can be used as a basis for protesting a claimant's eligibility to receive benefits when the basis for the protest has not previously been decided or is not currently under appeal. However, such protest would not relieve the employer of the requirement to reimburse for the benefit charges appearing on the invoice. There are no provisions in the law to relieve a reimbursing employer of the requirement to reimburse for amounts posted on an invoice.

How does COVID-19 affect reemployment taxes?

Contributory employers may be relieved of benefit charges associated with COVID-19. This means that Reemployment Assistance benefits that a former employee receives because they were separated from work as a direct result of COVID-19 may not be used in computing the employer's future reemployment tax rate. This exception also applies to contributory employers who are participating in the Short-Time Compensation Program, but the exception does not apply to reimbursing employers.

If I am a Contributory Employer, will I receive relief of benefit charges for Reemployment Assistance benefits paid on claims related to COVID-19?

Yes, if the separation is a direct result of COVID-19 and other noncharging requirements are met. Florida law provides that a Contributory Employer's employment record may be noncharged for benefits that are paid to employees whose separation from work is a direct result of a disaster of national significance. See Section 443.131(3)(a)5., Florida Statutes.

What do Contributory Employers need to do to make sure they are noncharged?

Contributory Employers must respond to the "Notice of Claim" within 20 days and should indicate under the "Remarks" section at the bottom of the "Notice of Claim" that the employee's separation was a direct result of COVID-19.

If I am a Reimbursing Employer, will I receive relief of benefit charges for Reemployment Assistance benefits paid on claims related to COVID-19?

Pursuant to Section 2103 of the CARES Act, a reimbursing employer need only reimburse the state for one-half of the amount of compensation paid by the state attributable to service with the employer for weeks of unemployment beginning on or after March 13, 2020, and ending on or before December 31, 2020.

Except for the relief provided by Section 2103, reimbursable employers are required to repay all reemployment benefit assistance paid to their former employees, including all assistance paid as a result of COVID-19. Only contributory employers are relieved of benefit charges associated with COVID-19.

What if I do not agree with Reemployment Tax charges on my account?

If you disagree with any charges to your employer account, you are encouraged to file a protest through the Employer Portal in CONNECT. DEO has created a [guide](#) to assist employers in protesting the RT-1 Form.

How are Reemployment Taxes calculated?

Because the Reemployment Assistance program is a federal-state partnership, each state determines benefit qualification levels and amounts, benefit duration, disqualifications, and tax structure, within federal limits.

For example, federal guidelines require each state to:

- Base its tax structure on benefit experience;
- Have a new employer tax rate of **at least** 1.0%;
- Have a maximum tax rate of at least 5.4%; and
- Have a taxable wage base of **at least** \$7,000.

Each state sets tax rates, benefit levels, and trust fund balances based on that state's needs. Each state has its own benefit trust fund account within the U.S. Treasury. In Florida, the account is funded by a tax paid by employers. To learn more visit: www.FloridaRevenue.com/taxes