

Florida Reemployment Tax- Employer FAQ



What is Florida Reemployment Tax?

Every state has an Unemployment Compensation Program. In Florida the Unemployment Compensation Program is known as the Reemployment Assistance Program. The name change was passed by the Legislature in 2012 in order to redirect Florida's job seekers to become reemployed.

The Florida Reemployment Tax is a tax paid by Florida employers. The tax collected from employers is deposited into the Unemployment Compensation Trust Fund for the purpose of paying Reemployment Assistance benefits to eligible claimants. Since 2000, the Florida Department of Revenue has administered the state's Reemployment Tax. The Florida Department of Economic Opportunity administers Reemployment Assistance benefits, which provide temporary income to workers who lose their job through no fault of their own.

Who pays Reemployment Tax?

Florida employers pay reemployment tax. Employers are charged a tax for each employee employed with their business. Employees do not pay reemployment tax, and employers must not make payroll deductions for this purpose. Employer payments go into a fund from which money is paid to eligible, unemployed Floridians who file claims for Reemployment Assistance with the Florida Department of Economic Opportunity.

How much Reemployment Tax do Florida employers pay?

The initial tax rate for new employers is .0270 (2.7%), which is applied to the first \$7,000 in wages paid to each employee during a calendar year. Any amount over \$7,000 for the year is excess wages and is not subject to tax. For more information about the tax rate, review the Department of Revenue's [Reemployment Tax Rate Information](#) webpage.

The minimum tax rate for 2020 is 0.001 (0.1%) and will increase to 0.0029 (0.29%) in 2021. From 2016 to 2020, the minimum tax rate was 0.001 (0.01%). In the past 12 years, the highest the minimum tax rate increased to was 0.0151 (1.51%) in 2012. The minimum tax rate for 2021 increased from the prior year because the balance of the Unemployment Compensation Trust Fund fell below 4% of the taxable payroll and the non-charge ratio increased from 0.0009 to 0.0073. These two factors are used, in part, in calculating the minimum tax rate.

What is a Form RT-20?

Form RT-20 is a *Reemployment Tax Rate Notice* the Department of Revenue mails to **contributory employers** each calendar year. The RT-20 provides the employer's tax rate for the following calendar year, which is effective January 1.

How should a contributory employer dispute their tax rate on the RT-20?

Employers may protest their tax rates by filing a timely protest on the *Annual Reemployment Tax Rate Notices* (Form RT-20). These notices are typically mailed in mid-December. If you choose to protest the rate, you must file a written protest with the Florida Department of Revenue on or before the protest deadline stated on the Notice. An employer may mail, email, or fax a written protest to the Department of Revenue. The RT-20 provides instructions on how the employer can protest the RT-20.

Mail: Department of Revenue, Rate Protest

P.O. Box 6510

Tallahassee, Florida, 32314-6510

Email: Experience_Rating@floridarevenue.com

Fax: 850-488-5997

What are RT-1 and RT-29 Forms?

Form RT-1 is a *Reemployment Tax Notice of Benefits Paid*, which the Department of Revenue sends each calendar quarter to **contributory employers**, notifying them of the Reemployment Assistance benefits paid to former employees and the amount charged or credited to an employer's Reemployment Tax record for the most recent calendar quarter.

Form RT-29 is a *Reemployment Tax Reimbursement Invoice* the Department of Revenue mails each calendar quarter to a **reimbursing employer** (nonprofit organizations, governmental entities, Indian tribes, etc.) stating the amount owed to the state for benefit charges for eligible former employees. Reimbursing employers pay the Unemployment Compensation Trust Fund on a dollar-for-dollar basis for the benefits paid to eligible former employees.

Why would an employer's Reemployment Tax record be charged?

- The Department of Economic Opportunity did not receive a timely response to the Notice of Claim (UCB-412) pursuant to section 44.151(3)(a), Florida Statutes;
- A determination was made that the employer's Reemployment Tax account should be charged because their former employee(s) received Reemployment Assistance benefits;
- If an employer purchased a business, with the purchase of the business, the employer accepted liability for claims based on wages earned with the previous owner for a more favorable tax rate; or
- The employer was required by section 443.131(3)(g), Florida Statutes, to assume liability for wages paid by a predecessor because of common ownership, management, or control of the business.

Contributory employers who were the separating employer (the employer of the individual at the time they lost their job) may be relieved of charges for employment separations that were a direct result of COVID-19. NOTE: This non-charging exception does not apply to reimbursing employers.

Reimbursing employers only pay 50% of the amount that's billed on the RT-29, exclusive of credits, pursuant to section 2103 of the CARES Act. This only applies to weeks of unemployment beginning on or after March 13, 2020 and ending on or before December 31, 2020. NOTE: The weeks of unemployment in the period above **DO NOT** have to be a result of COVID-19.

What if I disagree with the charges my business incurred?

Employers have the option to dispute the charges against their business. In order to dispute the charges, employers must file a protest with the Florida Department of Economic Opportunity within 20 days of the 'mailed on or before' date stated on the RT-1. For information and directions on filing a protest, view the RT-1 Form and Protesting Charges Guide [here](#). Filing a protest in CONNECT is the fastest way for an employer to receive a resolution to their dispute.

The Reemployment Assistance benefit charges listed on my RT-20 rate notice are not accurate, and I have protested this with the Florida Department of Economic Opportunity. What should I do?

Until the appeals process renders an outcome, your rate will remain as currently stated on your RT-20. ***You may contact the Department at 1-833-FL-APPLY to confirm the status of your protest.*** If you are successful in your appeal, you will need to provide the Florida Department of Revenue (DOR) with a copy of the determination letter from the Department. You do not need to file for refund or credit. The DOR will recalculate your tax return at the revised rate and issue a tax refund/credit.

I protested my benefit charges but assume the protest is not resolved by the reemployment tax due date for the first quarter (by April 30, 2021). What should I do?

Employers should pay the reemployment tax based on the tax rate listed on the RT-20. If your protest with the Department is resolved in your favor, a tax refund or credit will be issued to you once the Department of Revenue receives information with your adjusted benefit charges from the Department. Please provide a copy of your appeal resolution from the Decision of Appeals Referee to the Department of Revenue. You may send this copy to the DOR at:

Mail:

Department of Revenue, Rate Protest
PO Box 6510
Tallahassee, FL 32314-6510

Email: Experience_Rating@floridarevenue.com

Fax: (850) 488-5997

What happens if my tax rate adjustment is after the due date for first quarter reemployment tax and I have already paid at the higher tax rate? Do I need to do anything to request refund?

You do not need to file for refund or credit. The Department of Revenue will recalculate your tax return at the revised rate and issue a tax refund/credit.

How can an employer protect their tax rate?

Employers can help reduce tax rates by providing complete and accurate information needed to determine a claimant's eligibility for benefits.

Improper payment of benefits is a problem that may have a financial impact on employers. Here's how you can prevent improper payments and protect your tax rate:

- **Report all new and rehired employees to the [Florida New Hire Reporting Center](#) by the due date, as required by federal law.** Timely reporting helps prevent improper payment of benefits after an individual has returned to work.
- **Respond promptly to any Request for Verification of Weekly Earnings.** Verifying earnings ensures that the correct amount of reemployment assistance is paid for weeks of partial unemployment.
- **Provide complete and accurate employee separation information.** The employer's timely response to the *Determination Notice of Reemployment Assistance Claim Filed* (Form UCB-412) is used, in part, to determine the claimant's eligibility for reemployment assistance.

Employers who do not comply with state and federal requirements for providing employee information risk higher costs through increased taxes, fines, or penalties.

Source: Florida Department of Revenue, "Reemployment Tax Rate Information," https://floridarevenue.com/taxes/taxesfees/Pages/rt_rate.aspx