

Oklahoma Employment Security Commission



Richard McPherson, Executive Director

Mary Fallin, Governor

Representing Employers

David Adams, Commissioner
Karen Hudson, Commissioner

Representing the Public

Rachel Hutchings, Chair

Representing Employees

Claudia Conner, Commissioner
Janice Fox, Commissioner

NOTICE OF CHANGE IN SUPPORT OF RECENT LEGISLATION

Dear Employer:

The Oklahoma Legislature passed a bill on May 24, 2017 which has a direct effect on your Unemployment Insurance tax rate. House Bill 1110 which went into effect July 1, 2017 states that for January 1, 2018 through December 31, 2022, your state unemployment tax rate will be reduced by 5% for any employer with less than the maximum rate. This 5% reduction in your tax rate is offset by another part of the bill which requires all rated employers with less than the maximum rate pay an OESC Technology Reinvestment Apportionment equal to 5% of the Unemployment Taxes owed for that time period.

In effect, this means that the taxes that you will be paying on your quarterly report will be split between the OESC Technology Fund and the Unemployment Insurance Trust Fund through December 31, 2022.

The OESC Technology Fund will allow the Oklahoma Employment Security Commission to modernize its business processes and technology in a manner that will not impose hardship on the employers in the state.

Example Purposes Only (DO NOT USE EXAMPLE RATE TO CALCULATE YOUR QUARTERLY TAXES):

Assigned or Calculated 2018 Rate	2.0%
HB 1110 reduces your rate by 5% - Use to calculate IRS Form 940	-0.1% = 1.9%
HB 1110 increases your reduced rate by 5% - Use to calculate Contribution on OES-3 Quarter Contributions Report	+0.1% = 2.0%

Your total Contribution will be split and applied as follows:

Taxable Wages x 2%: 2500.00 x 2% = Total Contribution Due with Report	\$50.00
1.9% Unemployment Insurance Trust Fund (Report on IRS Form 940)	\$47.50
0.1% Technology Fund	\$2.50

Only the portion applied to the Unemployment Insurance Trust Fund (Contribution/Tax) should be claimed on IRS Form 940. Failure to properly report the correct amount of taxes paid to the state may result in your business not receiving the full rate reduction allowed against your FUTA tax rate. You may find the amount that will be reported on your FUTA Certification online at <https://eztaxexpress.oesc.state.ok.us> by clicking the IRS FUTA Certification link on the menu.

The rate used on your IRS FUTA Certification will be the reduced rate.

Please direct questions to the Employer Compliance Department at (405) 557-5330.