



# What Employers Need to Know About Reemployment Tax

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## What is Reemployment Assistance?

Reemployment assistance gives partial, temporary income to workers who lose their jobs through no fault of their own and are able and available for work. The assistance to jobless workers provides help to their families and the business community.

## Who Pays for Reemployment Assistance?

You, the employer, pay for reemployment assistance through a tax managed by the Florida Department of Revenue. The tax is one of your business costs. Workers do not pay reemployment tax and employers must not make payroll deductions for this purpose. The consumer bears this cost in the price of the goods or services you sell. Thus, the burden of reemployment assistance is shared by all. Reemployment tax payments go into a fund that is used to pay eligible unemployment claims.

## Who is Liable for Reemployment Tax?

A new business must report its initial employment in the month following the calendar quarter in which employment begins. You can register to file reports and pay tax online at [floridarevenue.com/taxes/registration](http://floridarevenue.com/taxes/registration) or submit a paper *Florida Business Tax Application* ([Form DR-1](#)). The online application will guide you through the registration application to help you determine your tax obligations. You are liable if you meet any of the following conditions:

- You have quarterly payroll of \$1,500 or more in a calendar year;
- You have one or more employees for a day (or portion of a day) during any 20 weeks in a calendar year;
- You are an agricultural employer and have five or more workers for a day (or portion of a day) during any 20 weeks in a calendar year, or a cash payroll of \$10,000 or more in any calendar quarter;
- You are a domestic employer with a cash payroll of \$1,000 or more in a calendar quarter;
- You purchase all or part of a liable business, or the combination of your existing payroll or employment with that of the business you purchased meets the liability criteria;
- You are a nonprofit organization as defined in section 3306(c)(8) of the Federal Unemployment Tax Act and section 501(c)(3) of the Internal Revenue Code and have four or more employees for a day (or portion of a day) during any 20 weeks in a calendar year;
- You are a state, county, city, or joint governmental unit; or
- You are an Indian tribe or tribal unit.

Nonprofit organizations, governmental agencies, and Indian tribes are given the option of paying their reemployment insurance costs by the tax-paying method or the reimbursable method. The reimbursable employer must repay benefits paid to former employees on a dollar-for-dollar basis. Regardless of the method of payment, these employers must submit wage reports each quarter. If an employer chooses to change the payment method, it must sign a special election form and stay with the chosen method for at least two years. More information is available in *Information for Nonprofit Organizations* ([RTS-1C](#)) available at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Reemployment Tax section.

A liable employer must display the poster *To Employees* (English version [RT-83](#) and Spanish version [RT-83SP](#)) where all employees can see it. These posters are available at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Reemployment Tax section.

## Voluntary Coverage

An employer that is not required to pay reemployment tax may elect to voluntarily provide reemployment coverage for its workers. To apply for voluntary coverage, complete and submit the voluntary *Election to Become an Employer Under the Florida Reemployment Assistance Program Law* ([RTS-2](#)), available at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Reemployment Tax section.

## Definitions

**Employment** – Any service done by an employee for the employer.

**Employee** – A person who is subject to the will and control of the employer as to what must be done and how it is done.

**Casual Labor** – Work that is not in the course of the employer's regular trade or business and which is occasional, incidental, or irregular. Do not confuse casual labor with temporary or part-time employment. A corporation cannot have casual labor.

**Independent Contractor** – A person not subject to the will and control of the employer. The employer does not control or direct the manner or method of job performance. The general public is aware that the person is an independent contractor.

**Officers of a Corporation** – Any officer of a corporation performing services for the corporation is an employee of the corporation during tenure of office, even when no compensation is received for such services. Compensation, other than dividends upon shares of stock and board of director fees, is presumed to be payment for services performed.

**Limited Liability Company (LLC)** – A limited liability company is treated the same as it is classified for federal income tax purposes.

- A person performing services for an LLC that is treated as a corporation for federal income tax purposes, is an employee.
- A person, other than a partner or exempt employee of a partnership, performing services for an LLC that is treated as a partnership for federal income tax purposes, is an employee.
- A person, other than the sole proprietor or an exempt employee of a sole proprietorship, performing services for an LLC that is treated as a sole proprietorship for federal income tax purposes, is an employee.

A single-member LLC may be treated as a corporation or a sole proprietorship for federal income tax purposes.

**S Corporation** – An election for a corporation for federal income tax purposes. Salaries paid to corporate officers are considered wages. All or part of the distribution of income paid to corporate officers who are active in the business and are performing services for the business can be considered wages.

**Employee Leasing Company** – An employing unit that has a valid and active license under Chapter 468, Florida Statutes (F.S.).

**Salesperson** – Any individual paid solely by commission under your direction and control is an employee. The law provides an exemption for insurance agents, real estate agents, and barbers who are paid solely by commission. If they are paid by salary only or salary and commission, both are taxable and subject to reemployment tax. **Note:** There is no federal unemployment tax exemption for barbers paid solely by commission.

**Agricultural Labor** – Any service performed on a farm in the employ of the owner, tenant, or any other operator of a farm in connection with the production or harvesting of any agricultural or horticultural commodity or in connection with the maintenance or operation of farm equipment or grounds.

## Employment Not Covered

Some types of work are not covered by reemployment assistance and some wages paid for services are not subject to reemployment tax. These exemptions include:

- Employees of a church, or convention, or association of churches; or of organizations operated primarily for religious purposes that are operated, supervised, controlled, or principally supported by a church, or convention or association of churches.
- Services performed by aliens in agricultural labor, who have entered the United States pursuant to section 1184(c) [formerly section 214(c)] and section 1101(a)(15)(H) [formerly section 101(a)(15)(H)] of the Immigration and Nationality Act.
- Services performed by nonresident aliens, who are temporarily present in the United States as non-immigrants under subparagraph (F) or (J) of section 1101(a)(15) [formerly section 101(a)(15)] of the Immigration and Nationality Act.

- Services for a school, college, or university by a student enrolled and attending classes there.
- Work on a fishing vessel under 10 net tons.
- Services performed as a student nurse in a hospital or nurses' training school, a medical school intern in a hospital, or a hospital patient.
- Students working for credit in a school program such as Credit by Exam (CBE) or Diversified Career Technology (DCT).
- Persons under age 18 delivering or distributing newspapers.
- Service for government by elected officials; members of the legislature and judiciary; those serving on a temporary basis in cases of fire, storm, etc.; or serving in an advisory capacity that ordinarily does not require more than eight hours per week.
- Services performed for a son, daughter, or spouse; or by children under the age of 21 for their father or mother. When the employing unit is a partnership, an exempt relationship must exist between all partners or there is no exemption. This exemption does not apply to corporations.
- Direct sellers who are contracted to sell or solicit consumer goods in homes or places other than a permanent retail establishment, and whose substantial remuneration is directly related to sales.
- Services performed by a sole proprietor or a partner, or a member of a limited liability company classified for federal income tax purposes as either a partnership or a sole proprietorship.
- Services performed by insurance agents, real estate agents, or barbers when paid solely by commission.
- Speech, occupational, and physical therapists who are not salaried and working pursuant to a written contract with a home health agency as defined in section 400.462, F.S.
- Service performed by an individual for remuneration for a private, for-profit delivery or messenger service, if certain conditions are met.
- Service performed by an inmate of a penal institution (work release programs).

## Wages

Wages are payments for services in employment, including commissions, bonuses, back pay awards, and the cash value of all payments in any medium other than cash. The cash value of meals and lodging will be exempt if it is included as a condition of employment for the convenience of the employer.

Sickness and accident disability payments paid by an employing unit to an employee in the six calendar months after the calendar month the employee stopped working are wages. Tips are covered wages if received while performing services that constitute employment and are included in a written statement furnished by the employee to the employer. Payments made under a workers' compensation law are not wages.

## Reporting Wages

Wages must be reported on an *Employer's Quarterly Report (RT-6)*, available at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Reemployment Tax section. The report must list total wages paid to covered workers, excess wages, taxable wages, and tax due. Each report must show the employee's name, social security number, gross wages, and taxable wages paid to each employee during the calendar quarter.

An employing unit that files an erroneous, incomplete, or insufficient report shall be billed a penalty of \$50 or 10% of any tax due, whichever is greater. The penalty shall not exceed \$300 per report.

Social security numbers (SSNs) are used by the Florida Department of Revenue as unique identifiers for the administration of Florida's taxes. Social security numbers obtained for tax administration purposes are confidential under sections 213.053 and 119.071, F.S., and not subject to disclosure as public records. Collection of your SSN is authorized under state and federal law. Visit [floridarevenue.com/privacy](http://floridarevenue.com/privacy) for more information regarding the state and federal law governing the collection, use, or release of SSNs, including authorized exceptions.

## Multiple Worksites

If an employer is operating two business units and the secondary unit(s) has a cumulative total of at least ten employees, a Multiple Worksite Report (**BLS-3020**) must be submitted. The form is available through the U.S. Bureau of Labor Statistics at <https://www.bls.gov/respondents/mwr/forms/mwr-fl.pdf>.

The completed form must be filed with the:  
Florida Department of Commerce  
Workforce Statistics and Economic Research  
107 E Madison St MSC #G-020  
Tallahassee Florida 32399-4111

This form, together with its instructions, may be obtained online at the website provided or by contacting the Florida Department of Commerce at the address above.

### **Annual Filing Option for Domestic Employers**

An employer liable for reemployment tax may select an annual filing option if all the employees exclusively perform services that constitute domestic (household) service, and the employer is eligible for an earned tax rate. An *Application for Annual Filing for Employers of Domestic Employees* ([RT-7A](#)) who perform domestic services must be submitted by December 1 to qualify for annual filing in the next calendar year. The form is available at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Reemployment Tax section.

### **Electronic Filing and Payment**

You must electronically file your *Employer's Quarterly Report* ([RT-6](#)), including any corrections, and electronically pay the tax if you are an employer who **employed 10 or more employees** in any quarter during the State of Florida's prior fiscal year (July 1 – June 30).

Corrections to either the quarterly or annual reports are made electronically using the *Correction to Employer's Quarterly or Annual Domestic Report* ([RT-8A](#)) which is located online at [floridarevenue.com/taxes/filepay](http://floridarevenue.com/taxes/filepay).

The Department of Revenue will notify employers meeting the threshold for electronic filing and payment. The penalty for failure to electronically file a report is \$25 for each report and \$1 for each employee. The penalty for failure to electronically pay tax is \$25 for each remittance by an employer. You can obtain a waiver from electronic filing if you have a valid business reason. However, there is no waiver from electronic payment.

### **Electronic Payment Deadlines**

When you **electronically pay, or electronically file and pay at the same time**, you must initiate your electronic payment and **receive a confirmation number no later than 5 p.m. ET on the business day prior to the payment deadline** to avoid penalty and interest. Keep a record of your confirmation numbers. For a list of electronic payment deadlines, visit [floridarevenue.com/forms](http://floridarevenue.com/forms) and select the current year *Florida eServices Calendar of Electronic Payment Deadlines* ([Form DR-659](#)) under the eServices section.

### **Importance of Reporting Timely**

Employers have one month after the end of each quarter to file reports and pay tax. To avoid penalty and interest, you must report and pay your tax on time. Unpaid tax will affect your future tax rate. Reports and payments sent by mail are considered filed and paid from the date postmarked. A late filing penalty is charged at \$25 for each 30 days or fraction thereof that a report is delinquent. Interest is charged on the unpaid tax from the original due date until the tax is paid.

### **Your Tax Rate and How Much You Pay**

The tax rate for new employers is 0.0270 (2.7%). The first \$7,000 in wages paid to each employee during a calendar year are taxable wages. Any amount over \$7,000 for a calendar year are excess wages and are not subject to reemployment tax. Excess wages can never be greater than gross wages. After a qualifying period, employers with a stable employment history are eligible for a lower tax rate.

When a business is transferred, the successor may count wages paid to an employee by the predecessor to determine taxable wages. [Form RT-6NF](#) allows you to report out-of-state wages paid to employees who worked in another state and are transferred to Florida. The out-of-state wages that were already taxed are credited when calculating taxable wages reportable to Florida. The form is available at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Reemployment Tax section.

The initial rate for employers is 0.0270 (2.7%) and will remain in effect until the employer has reported for 10 quarters. The account will then be rated by dividing the total benefits charged to the account by the taxable

payroll reported for the first seven of the last nine quarters immediately preceding the quarter for which the rate is effective.

The one exception would be employers liable by succession who choose to accept the tax rate of the previous employer, along with the responsibility of paying any outstanding amounts due. Successors must complete the *Report to Determine Succession and Application for Transfer of Experience Rating Records (RTS-1S)* within 90 days of the date the succession commenced. The form is available at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Reemployment Tax section.

The maximum tax rate allowed by law is 0.0540 (5.4%), except for employers participating in the Short Time Compensation Program. The *Reemployment Tax Rate Notice (RT-20)* is mailed to each employer in December. You may appeal the tax rate within 20 days from the date of notification (mail date printed on the rate notice).

### **Termination of Coverage**

You will be eligible for termination if you have not met any liability criteria for an entire calendar year, or if the business closes (which is different than just selling assets, selling stock, or merging into another business to be the continuing entity). If you qualify, because you have not paid wages for a year, you must apply for termination of coverage by April 30 of the following year. Contact the Department of Revenue in writing to close the account of a closed business after the final wages have been paid. Once liability is terminated, you must reestablish liability in the same manner as any new employing unit.

### **Claims for Benefits**

Unemployed workers who are covered under the Florida Reemployment Assistance Program Law will receive benefits if they are eligible and qualified. Prompt and accurate information from employers is vital to the establishment of a claimant's right to benefits. You must furnish information timely when requested. This is to your advantage because it helps protect your tax rate. Information must be complete, accurate, and factual.

For more information about the claims process, including qualification requirements and disqualification reasons, go to [floridajobs.org](http://floridajobs.org).

### **Protest and Appeal**

One goal of the Reemployment Assistance Program Tax Law is to provide a fair and impartial hearing to resolve disputes. The Department of Revenue will make every attempt to resolve informal protests. If not resolved, formal protests and appeals will be directed to the Florida Department of Commerce, Reemployment Assistance Program. Appeals must be filed timely, must be in writing, and must clearly state your reasons for appeal.

### **Employer E-Verify Certification**

#### **Legal Requirements**

Section 448.095, Florida Statutes, requires employers to verify each new employee's employment eligibility within three business days after the first day that the new employee begins working for salary, wages, or other remuneration.

Private employers with 25 or more employees or public agencies are required to use E-Verify to validate that newly hired employees are eligible for employment within the United States.

E-Verify is a free, internet-based application operated by the U.S. Department of Homeland Security that allows employers to electronically verify employment eligibility of newly hired employees. Information on how to register and access the E-Verify system is located on the Federal E-Verify website. If the E-Verify system is unavailable for three business days after the first day the new employee begins working for salary, wages, or other remuneration, an employer must use the Employment Eligibility Verification (federal form USCIS I-9) to verify employment eligibility within the United States.

#### **Certification Process**

Each public agency, private employer with 25 or more employees, or employee leasing company required to use the E-Verify system must certify on its first reemployment tax return filed each calendar year that it used

E-Verify or the I-9 to confirm employment eligibility of each new employee. If you are not a public agency or private employer with 25 or more employees, and you use the E-Verify system to validate employment eligibility, you are not required but may elect to certify use of E-Verify on a voluntary basis.

### Changes to Your Business?

You must notify the Department immediately if your business name, business location, or mailing address changes or if you close or sell your business. It's fast and easy to notify the Department online by visiting [floridarevenue.com/taxes/updateaccount](http://floridarevenue.com/taxes/updateaccount). You can also submit new information on a paper *Employer Account Change Form (RTS-3)* available for download at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Reemployment Tax section.

### Reference Material

**Laws** – Tax laws are available at [leg.state.fl.us](http://leg.state.fl.us).

**Rules** – Rules are available at [flrules.org](http://flrules.org).

Download these brochures at [floridarevenue.com/forms](http://floridarevenue.com/forms).

- [RT- 800001](#) – *Employer Guide to Reemployment Assistance Benefits*
- [RT- 800002](#) – *Employer Guide to Reemployment Tax*

Tax forms and other publications are available at [floridarevenue.com/forms](http://floridarevenue.com/forms).

**To speak with a Department of Revenue representative**, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

The fillable Form, Multiple Worksite Report (**BLS-3020**) is available at <https://www.bls.gov/respondents/mwr/forms/mwr-fl.pdf>. To speak with a Florida Department of Commerce, Labor Market Statistics representative call 800-672-4664.

For **claims and benefits** information, contact the Florida Department of Commerce at 877-846-8770.

For **appeals** information, contact the Florida Department of Commerce, Reemployment Assistance Program at 877-846-8770.

Information and the following tutorials are available at [floridarevenue.com/taxes/education](http://floridarevenue.com/taxes/education).

#### Tutorials - Tax and Fee Overviews

- [Overview of Sales and Use Tax for Business Owners](#) - Recommended before completing other sales and use tax tutorials.
- [Prepaid Wireless Fee](#) - Provides an overview of Prepaid Wireless Fees.
- [Reemployment Tax Part 1: The Basics](#) - Basic information about reemployment tax (RT), general liability for RT, worker classification, taxable wage base, and tax rate.
- [Reemployment Tax Part 2: Employer's Responsibilities](#) - Basic responsibilities of employers including registering for reemployment tax, filing and remitting quarterly reports, and maintaining accurate records.
- [Reemployment Tax Part 3: Filing and Remitting Quarterly Reports \(RT-6\)](#) - Basic requirements for filing quarterly reports including RT-6 due dates, completing a paper-based RT-6, completing an electronic RT-6, and penalties.
- [Reemployment Tax Part 4: How to File the \*Employer's Quarterly Report \(RT-6\) Online\*](#) - How to file the RT-6 online including logging in to the report, completing the online form, and making payments.
- [Reemployment Tax Part 5: Filing a \*Quarterly Corrected Return \(RT-8A\) Online\*](#) - How to file an RT-8A online including reasons for filing, logging in, completing the report, adding employments, and making payments.