

EMPLOYER RESPONSIBILITY FOR INSURANCE COVERAGE & EXCLUSIONS

For unemployment insurance purposes, an employer is a legal entity that is required by law to furnish unemployment insurance coverage to one or more individuals. An employer can be a sole-proprietor, a partnership, a limited liability company (LLC or LLP), a corporation, or any other entity for which a worker performs services.

Examples which an entity can be determined liable to pay unemployment insurance tax or deemed an employer for purposes of furnishing unemployment insurance coverage include:

1. Employs one or more persons during some part of a day in each of at least 20 different weeks (not necessarily consecutive) in either the current or the preceding calendar year in general employment;
2. Pays at least \$1,500 in gross wages during any calendar quarter in either the current or the preceding calendar year, regardless of the number of employees;
3. Is a religious (other than a Church), charitable, educational or other organization exempt under Section 501(c)(3) of the Internal Revenue Code and have at least four employees for twenty different weeks (not necessarily consecutive) in either the current or preceding calendar year;
4. Pays \$1,000 or more in gross wages in any calendar quarter for domestic services in a private home;
5. Pays \$20,000 or more in gross wages in any calendar quarter for agricultural services, or employ ten or more workers in agricultural employment, including legal aliens, during some part of a day in each of at least 20 different calendar weeks (not necessarily consecutive) in either the current or preceding calendar year;
6. Is a State or any political subdivision thereof;
7. Succeeds to the business of any employer already covered under the Vermont Unemployment Compensation law.

8. Is (or becomes) liable under the Federal Unemployment Tax Act and furnishes any employment in this state to individuals hired for a specific job in Vermont regardless of the number hired or the number of weeks employed.

9. Voluntarily elects to provide unemployment coverage to your domestic or agricultural workers even though it is not required, unless otherwise exempted by Vermont Unemployment Compensation law.

10. Begins employment again after a period of inactivity of less than 3 years.

If you have been determined liable for unemployment coverage, you will be required to file Quarterly Wage and Contribution reports to report gross wages paid to all covered workers who performed services during the reporting quarter. Please see Unemployment insurance for more about filing quarterly wage and contribution reports, gross wages, and who is covered by UI.