

STATE OF ALABAMA  
DEPARTMENT OF LABOR  
UNEMPLOYMENT COMPENSATION DIVISION  
MONTGOMERY, ALABAMA 36131  
PHONE: (334) 242-8888 TDD: 1-800-648-2648

# **TAX RATE NOTICE**

EFFECTIVE DATE: 1/1/2016

1. Date Notified  
(Mon/Day/Year)

12/5/2014

# **SAMPLE FORM**

**IMPORTANT:** Your tax rate is final unless written request for review is submitted within 30 days from the date notified in Item 1. Send review request to the attention of the Experience Rating Section, Room 4216 at the above address or fax to: (334) 242-2068.

Please refer to your account number in correspondence with this Agency.

2. ACCT NUMBER	3. SCHED	4. SHARED COST	5. COMPUTED RATE	6. TAX RATE	7. ESA
	D	0.30 %	3.54 %	3.84 %	0.06 %

**REMINDER:** Use the rate (Item 6) and ESA (Item 7) to compute your quarterly payment for the first quarter ending March 31 and following three quarters in the upcoming tax rate year.

8. FISCAL YEAR	9. BENEFIT CHARGES	10. TAXABLE PAYROLL	11. BENEFIT RATIO
2014	\$4,382.10	\$448,210.48	
2013	\$20,478.00	\$484,048.10	
2012	\$16,452.26	\$466,746.89	
12.	\$40,312.36	13. \$1,399,005.47	= 2.88 %

## **HOW YOUR TAX RATE IS COMPUTED**

The tax rate notice will be posted annually and available for download to employers who are eligible for rating. Your tax rate is computed using the three most recent complete fiscal years of benefit charges (Item 9) and taxable payrolls (Item 10). A fiscal year (Item 8) begins July 1st and ends the following June 30th.

Benefit charges (Item 9) are costs for actual benefits paid to former employee(s). Taxable payrolls (Item 10) include taxable wages upon which taxes have been paid by the preceding July 31st. Your benefit ratio (Item 11) is determined by dividing total benefit charges (Item 12) by total taxable payroll (Item 13). With knowledge of your benefit ratio (Item 11) and the statewide schedule (Item 3), you can verify your computed rate (Item 5) by using the excerpt of the Tax Rate Table provided online at [www.labor.alabama.gov/uc/employer/aspx](http://www.labor.alabama.gov/uc/employer/aspx).

The statewide schedule (Item 3) and shared cost (Item 4) are determined in accordance with a 1989 amendment to the Alabama Unemployment Compensation Law. The amendment contains four rate schedules: A, B, C, and D. The applicable schedule is determined yearly by a formula that looks at the relationship of the Unemployment Compensation Trust Fund's balance to the desired level of the Fund. Shared cost is determined yearly and is defined as cost that cannot be assigned to a specific employer. Shared cost is added to the computed rate (Item 5) to determine the tax rate (Item 6). Employment Security Assessment (ESA - Item 7) monies are deposited to the Employment Security Enhancement Fund in the State Treasury and used to assist unemployed claimants in obtaining employment.

## **PAYMENT OF TAX AND ESA**