

Detailed version of 2017 Quarterly Total Amount Calculated

The following tables show the components and calculations used to determine the Quarterly Total Amount Due.

Component	Definition	Calculation
Total Gross Wages*	Summation of all wages reported on a wage detail report.	Sum of all wages reported by employer
Non-Taxable Wages	Wages that exceed the taxable wage base limit <ul style="list-style-type: none"> • Per employee record • Per employer account • Exempt from tax calculations • Wage Base calculation includes predecessor wages when experience is transferred. 	Sum cumulative gross wages per employee for calendar year reported thus far. Then subtract the taxable wage base amount. Total Gross Wages – Taxable Wage Base (\$32,000/employee) = Non-Taxable Wages for 2017
Taxable Wages*	Amount of wages up to the wage base limit (\$32,000/employee) <ul style="list-style-type: none"> • Amount used for tax calculations • Taxable Wage Base calculation includes predecessor wages when experience transfer occurs. 	Total Gross Wages - Non-Taxable Wages = Taxable Wages
Base Tax Rate	<ul style="list-style-type: none"> • Intended to provide a financial reserve in times of high unemployment. • Determined each year by the amount in the Unemployment Insurance Trust Fund on March 31st of the prior year. • Can range from 0.10% to 0.50%. • For 2017, the Base Tax Rate is 0.10%. 	Added to the experience rate or the new employer rate (whichever applies) = Employer's UI Tax Rate

Component	Definition	Calculation
UI Tax Rate	Assigned Tax Rate (per employer account) <ul style="list-style-type: none"> • Includes the Base Tax Rate • Base Tax Rate may include the Falling Trust Fund Adjustment • Includes the experience rate or new employer tax rate 	Experience Rated Employers: Base Tax Rate + Experience Rate = UI Tax Rate New Employers (not yet experience rated): Base Tax Rate + New Employer Tax Rate = UI Tax Rate
Quarterly UI Tax (before Additional Assessment)	Calculated amount of tax before the calculation of additional assessment.	$UI\ Tax\ Rate \times Taxable\ Wages = Quarterly\ UI\ Tax\ Rounded^*$
Additional Assessment	Calculation of the amount due for the "Additional Assessment" <ul style="list-style-type: none"> • Assessment on all quarterly unemployment taxes due. • Percentage assigned is based on the trust fund level on March 31 of the prior year per MN Statute §268.051, Subd. 2(d) • There is no Additional Assessment for 2017. 	$Quarterly\ UI\ Tax \times the\ assigned\ percentage\ (0.00\% \text{ for } 2017) = Additional\ Assessment\ Dollar\ Amount\ Rounded^*$
UI Tax Due*	The sum total of UI Tax before the Workforce Development Assessment is Added <ul style="list-style-type: none"> • Used to calculate Federal Loan Interest Assessment (none for 2017) • FUTA reportable 	$Quarterly\ UI\ Tax + Additional\ Assessment\ Dollar\ Amount = UI\ Tax\ Due$
Federal Loan Interest Assessment*	Amount assessed for payment of interest on Federal Loans <ul style="list-style-type: none"> • Also known as a "Special Assessment" • Assigned in MN Statute §268.051, Subd. 8 • There is no Federal Loan Interest Assessment for 2017. 	$UI\ Tax\ Due \times assigned\ percentage\ (0.0\% \text{ for } 2017) = Federal\ Loan\ Interest\ Assessment\ Dollar\ Amount\ Rounded^*$

Component	Definition	Calculation
	<ul style="list-style-type: none"> Not included for FUTA credit 	
Workforce Development Assessment*	<p>Amount calculated for Workforce Development Initiatives per MN Statute §116L.20.</p> <ul style="list-style-type: none"> For 2017, the assigned percentage is 0.10% Not a UI tax. 	<p>Taxable Wages X assigned percentage (0.10%) = Workforce Development Assessment Dollar Amount Rounded*</p>
Interest*	<p>Amount owed due to late payment of taxes and assessments</p> <ul style="list-style-type: none"> Not applied to Wage Detail Late Fees 	<p>Compounded monthly at a rate of 1.0 percent of the Quarterly Total Amount Due</p>
Wage Detail Late Fee*	<p>A fee resulting from non-submission of a wage detail report as assigned in MN Statute §268.044, Subd. 2</p>	<p>\$10.00 per employee, with potential of \$25.00 per employee for non-compliance. Minimum fee of \$250.00 assessed (doubles after 30 days for non-compliance).</p>
Quarterly Total Amount Due*	<p>The total amount due from each employer for the quarter</p>	<p>Sum of:</p> <ul style="list-style-type: none"> Quarterly UI Tax Additional Assessment Workforce Development Assessment Interest on late payment Wage Detail Late Fee

* Displayed on screen

Components to Calculate Quarterly Total Amount Due

(rounding rules below apply to these calculations):

- A = Base Tax Rate
- B = Experience Rate or New Employer Rate
- C = UI Tax Rate
- D = Taxable Wages
- E = Quarterly UI Tax (before Assessments)
- F = UI Tax Due (FUTA Reportable)
- G = Additional Assessment %
- H = Additional Assessment Dollar Amount
- I = Workforce Development Assessment %
- J = Workforce Development Assessment Dollar Amount
- K = Quarterly Total Amount Due

Formula to Calculate Quarterly Total Amount Due

Base Tax Rate + Experience Rate or New Employer Rate x Taxable Wages = Quarterly UI Tax before Assessments
 $(A + B) \times D = E$

Quarterly UI Tax before Assessments + Additional Assessments Dollar Amount = UI Tax Due (FUTA Reportable)
 $E + H = F$

UI Tax Due + Workforce Development Assessment Dollar Amount = Quarterly Total Amount Due
 $F + J = K$

Breakdown of the Formula to Calculate the Quarterly Total Amount Due (for Programming Purposes)

Calculation #1: Base Tax Rate (A) + Experience Rate or New Employer Rate (B) = UI Tax Rate (C)

Calculation #2: UI Tax Rate (C) x Taxable Wages (D) = Quarterly UI Tax (E)

Calculation #3: Quarterly UI Tax (E) x Additional Assessment % (G) = Additional Assessment Dollar Amount (H)

Calculation #4: Quarterly UI Tax (E) + Additional Assessment Dollar Amount (G) = UI Tax Due (F)

Calculation #5: Taxable Wages (D) x Workforce Development Assessment % (I) = Workforce Development Assessment Dollar Amount (J)

Calculation #6: UI Tax Due (F) + Workforce Development Assessment Dollar Amount (J) + Interest + Late Fees = **Quarterly Total Amount Due (K)**

*Minnesota's Rounding Rules

- The amount will be rounded down (truncated) to the next lower whole dollar if the amount is not a whole dollar.
- Rounding occurs after the calculation (not at the employee record)