



Rhode Island Department of Revenue Division of Taxation

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UNEMPLOYMENT INSURANCE TAX

ADVISORY FOR TAX PROFESSIONALS
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Unemployment insurance information for employers amid coronavirus

Division provides FAQs on UI tax rates, UI tax and wage reports, and more

PROVIDENCE, R.I. – The Rhode Island Division of Taxation today provides the following information for employers about Rhode Island unemployment insurance amid the coronavirus pandemic (COVID-19).

Topics covered in the following answers to frequently asked questions (FAQs) include unemployment insurance (UI) tax rates, UI tax and wage reports, and more.¹

Q: Will workers qualify for unemployment benefits if the coronavirus pandemic causes an employer to shut down or downsize operations?

Rhode Island unemployment benefits are available to individuals who are unemployed through no fault of their own. If an employer must shut down operations or needs to downsize operations due to the coronavirus pandemic, all employees who are affected are entitled to unemployment benefits.

Q: If my business was forced to shut down or reduce its workforce as a result of the coronavirus pandemic, will my employer tax rate be affected?

On April 9, 2020, Rhode Island Governor Gina M. Raimondo issued an executive order.² The executive order enables unemployment benefits to be charged to the State's balancing account, not to the employer's own UI account.

Through this Advisory, the Rhode Island Division of Taxation is providing the latest available information for employers about Rhode Island unemployment insurance taxes amid the coronavirus pandemic.

Because policies and procedures may need to be adjusted in response to rapidly changing events at the federal and state levels, the Division recommends that employers and their advisors check the [Division of Taxation's Employer Tax webpage](#) and the [Rhode Island Department of Labor's website](#) frequently for the most up-to-date information.

¹ This Advisory was developed in conjunction with the Rhode Island Department of Labor and Training (DLT). The Division of Taxation administers the tax aspects of unemployment insurance and related programs, while the DLT administers unemployment and related benefits. For information about benefits, see the DLT website: www.dlt.ri.gov.

² [Executive Order 20-19](#), "Sixteenth Supplemental Emergency Declaration – Increasing Access to Unemployment Insurance".

Ordinarily, if an employee is laid off and collects unemployment benefits, the costs associated with that are charged to the employer's UI account, which could result in higher UI taxes for that employer.

However, because of the executive order, the employer's UI account will not be charged for the costs associated with employees laid off because of the coronavirus pandemic. Instead, those costs will be charged to a separate account -- the UI program's balancing account. Therefore, those costs will, in effect, be borne by the State, not by that employer.

In other words, Governor Raimondo's executive order ensures that businesses that close because of the coronavirus pandemic will not see any immediate increase in their Rhode Island unemployment insurance tax because their employees have been laid off and are receiving unemployment benefits due to the pandemic.

To ensure that your experience rating history is not being negatively affected, please review the monthly benefit charge statements.

Note: To ensure accuracy, the Rhode Island Department of Labor and Training (DLT) has temporarily delayed the mailing of the April benefit charge statements. They are usually mailed on or about May 10 and the delay should be minimal and not impact the May benefit charge statements.

Q: Is it possible that the UI tax rate schedule for 2021 will be adjusted as a result of the number of claims filed during the coronavirus pandemic?

Yes. Although the UI tax rate for a particular employer will not be affected by the number of employees laid off and collecting UI benefits as a result of the coronavirus pandemic, the overall UI tax rate schedule that applies to all employers could change for 2021.

The Rhode Island UI tax rate schedule, known as the "experience rate table" (Schedules A - I) under [Rhode Island General Laws § 28-43-8](#), is determined based on the amount available in Rhode Island's unemployment trust fund. It is anticipated that the significant amount of benefit claims, processed due to the coronavirus pandemic, will draw down the trust fund. However, the recently enacted federal CARES Act will help lessen the impact on the fund.³ (The Rhode Island UI tax schedule for the 2021 calendar year has not been set yet.)

Q: What about unemployment benefits paid to employees of reimbursable accounts as a result of the coronavirus pandemic?

Most employers pay Rhode Island UI tax up front, each quarter. Some employers, known as reimbursable employers, typically do not pay UI tax up front. Instead, they typically pay back the Rhode Island UI fund on a dollar-for-dollar basis for UI benefits paid to former employees. (Reimbursable employers are typically governmental agencies, Indian tribes, and certain nonprofit organizations.)

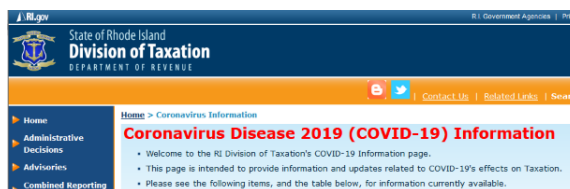
³ The "Coronavirus Aid, Relief, and Economic Security Act", also known as the CARES Act, approved by Congress and signed into law by President Donald J. Trump on March 27, 2020. (See [H.R. 748 -- U.S. Public Law PL 116-136](#)).

The CARES Act will reduce the amount by which reimbursable employers are required to reimburse states for benefits paid to their workers who claim unemployment insurance by 50% for weeks of unemployment beginning on or after March 13, 2020, through December 31, 2020. The charge statements for March and April have been reduced by 50%. To ensure the accuracy of your bill, please review the monthly benefit charge statements closely. As stated earlier in this Advisory, the mailing of the April monthly benefit charge statements has temporarily been delayed. Normally, April's bill would be due May 15. The due date will continue to be 30 days from the date of the mailing and as such will be moved accordingly to when the statements are mailed. This will result in no additional interest or penalty imposed on the employer.

Note: Sec 2103 of the CARES Act encourages state workforce agencies to provide maximum flexibility in interpreting their unemployment compensation laws as they relate to timely payments. At this time, the Rhode Island Department of Labor and Training has decided it is more flexible to have the benefit charge statements already reflect the 50% due rather than bill these employers at 100% and then subsequently issue refunds of 50% once paid. This interpretation is subject to change based on further guidance.

Q: Will there be a filing extension for the first-quarter 2020 tax and wage reports filed by employers?

Rhode Island has not changed the due date of the first-quarter 2020 tax and wage reports ([Form TX-17](#)) that were due on or before April 30, 2020. Please check the Division of Taxation's special coronavirus webpage for any updates on changes to any given tax filing or tax payment deadline:
<http://www.tax.ri.gov/COVID/>.



Q: Will there be an extension for reimbursable employers paying benefit charges during the months associated with the first quarter of 2020?

It is anticipated that the CARES Act will provide flexibility for employers in making reimbursement payments that are related to the coronavirus pandemic.

Q: Will the Division consider waiving interest and penalty for employers during the first quarter of 2020 that are not able to submit their quarterly tax and wage reports timely?

As of now, there is no provision in the Rhode Island Employment Security Act to allow for interest and penalty abatement. The matter is under consideration.

Q: Will there be an extension for employers that wish to make a voluntary contribution for 2020?

No. As the contributory employers' individual UI tax rates for 2020 are not affected due to the coronavirus pandemic, no extension is required.

Q: Do employers have the option to pay their quarterly tax and wage reports electronically?

Yes. Please use the following link: <https://www.ri.gov/taxation/tx17/>.

Q: Is unemployment coverage now expanded to include workers that were previously exempt, including, but not limited to, self-insured individuals, independent contractors, and freelance workers, due to the CARES Act?

Yes. The CARES Act provides additional coverage for individuals that were not previously covered under the Rhode Island Employment Security Act. The guidelines and provisions are currently being developed and will be administered by the Rhode Island Department of Labor and Training. For more information please go to <http://www.dlt.ri.gov/>

Q: I have contacted my employees to return to work. Can my employees decide on their own that they do not want to come to work, or return to work when instructed?

Should an employee choose not to return to work, this would be considered a voluntary quit, job abandonment, or refusal to return to work. If the return to work is not considered “for good cause”, this would be considered a disqualification and the claimant may forfeit their eligibility for continued unemployment compensation. For more information regarding “for good cause” provision, please use the following links:

- <http://www.dlt.ri.gov/emergencyui/Returning%20to%20Work%20Fact%20Sheet.pdf>, and
- <http://www.dlt.ri.gov/emergencyui/COVID%20Fraud%20Memorandum.pdf>.

Click here to report or protest a refusal to work:

<https://dltweb.dlt.ri.gov/uiemployerprotest2013/index.aspx>.

Q: I am a small employer who has taken out a federal loan under the “Paycheck Protection Program” (PPP).⁴ I have contacted my employee to return to work; the employee has refused to return and would rather stay on unemployment. Will this reduce my loan forgiveness as I am not meeting my payroll requirements under the terms of the loan?

No. Under the authority of the United States Small Business Administration and the United States Treasury, to qualify for this exception, the borrower must have made a good faith, written offer of rehire, and the employee’s rejection of that offer must be documented by the borrower. Employees and employers should be aware that employees who reject offers of re-employment may forfeit eligibility for continued unemployment compensation.

Q: Is there an at-a-glance fact sheet available that provides a summary of information about unemployment topics for employees and employers amid the pandemic?

Yes. The Department of Labor and Training has a workplace fact sheet, in English and Spanish (see screenshot on this page). The fact sheet provides a summary of information for Rhode Island employees

who are out of work due to the coronavirus pandemic, and for Rhode Island employers who are affected by the pandemic. To view a copy, click [here](#).



Workplace Fact Sheet

⁴ For more information, please use the following link: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>.

Q: What if employees have questions related to unemployment insurance benefits, temporary disability benefits (TDI), or benefits under the temporary caregiver insurance program (TCI)?

UI, TDI, and TCI benefits are administered by the Department of Labor and training. For more information, see the agency's website: <http://www.dlt.ri.gov/>.

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, has normal operating hours from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact>
