

**UI Quarterly News**  
2nd Quarter 2012  
**Colorado Department of Labor and Employment**  
**Unemployment Insurance Program**  
[www.colorado.gov/cdle/ui](http://www.colorado.gov/cdle/ui)

John Hickenlooper  
Governor



Ellen Golombek  
Executive Director

## **2012 LEGISLATIVE CHANGES**

There were three new laws passed during the regular session of the 2012 Colorado General Assembly that relate to Unemployment Insurance.

[House Bill \(HB\) 12-1120, Create Division of Unemployment Insurance](#), moves the Unemployment Insurance Program out of the Division of Employment and Training and to its own division within the Department of Labor and Employment. It was effective June 1, 2012, as a result of an amendment included in HB 12S-1002, Unemployment Insurance Revenue Bonds.

[HB 12-1127, Unemployment Insurance Rate Reduction for New Employers](#), changes the “unrated” rate in the new rate table that was passed with HB 11-1288. That rate table goes into effect once the Trust Fund is solvent and all loans are repaid. The new “unrated” rate will allow a new employer’s rate to not be increased when the new rate table goes into effect. The “unrated” rate remains unchanged regardless of the fund balance. The lower rate may serve as an incentive for more start-up businesses. The law was effective March 19, 2012.

[HB 12-1272, Enhanced Benefits Unemployed Workers in Training](#), allows Emergency Unemployment Compensation and State Extended Benefit recipients to be able to attend approved training and receive enhanced benefits. Through 06/30/2014, the Unemployment Insurance Division may pay up to \$8 million in enhanced benefits from the Trust Fund and expands on the types of training that can be approved to include employer-based training and entrepreneurial training. The law goes into effect July 1, 2012.

## **BOND SECURES STABILITY OF UNEMPLOYMENT INSURANCE TRUST FUND**

In order to increase the financial health of the Unemployment Insurance Trust Fund and provide relief to Colorado employers, we have secured a bond transaction totaling \$630 million. We have prepared a [fact sheet](#) and [letter to employers](#) to provide information on the many benefits of this effort.

By law, bonds issued are payable solely through a bond assessment on each employer subject to experience rating. We are preparing a series of additional communications that will explain how this impacts you. Additional information will be added by July 18 to [www.coloradoui.gov/bond](http://www.coloradoui.gov/bond).

## **STATE INFORMATION DATA EXCHANGE SYSTEM**

The State Information Data Exchange System (SIDES) is a national electronic-transmission system that communicates and transmits unemployment job-separation information efficiently, accurately, and securely between UI agencies, large multi-state employers, and third-party agencies (TPAs).

Colorado recently expanded the SIDES system to allow small businesses to begin using this service. Participating employers will be able to electronically send and receive separation data instead of sending paper requests and responses. Information on how to sign up will be made available on [www.coloradoui.gov](http://www.coloradoui.gov) and added to the next edition of this newsletter.

## **REGISTERING A NEW BUSINESS**

To register a new business, employers must have at least \$1,500 in qualifying wages or have one employee hired for a period of one day within 20 separate weeks. When an account is opened using our

Register A New Business Web site, Colorado Business Express, or a hand completed form, the account cannot be properly established if the employer does not meet the above requirements. New business accounts that have been registered without meeting the requirements will be cancelled. The employer must re-apply for another account once requirements have been met.

#### **EMPLOYMENT VERIFICATION LAW AUDITS**

All public and private employers in Colorado must comply with the requirements of the Colorado Employment Verification Law, Colorado Revised Statutes 8-2-122. This law is in addition to federal Form I-9 requirements and applies to all Colorado employees hired on or after January 1, 2007. There are two main components to the law: (1) an affirmation requirement, and (2) a requirement to make and retain copies of employee identity and employment eligibility documentation.

The Colorado Division of Labor conducts audits of employers to determine compliance with the law. Employers who are not meeting the requirements of the law may be subject to fines up to \$5,000 for the first offense, and up to \$25,000 for second and subsequent offenses per employee.

For more information, visit the [Employment Verification Law](#) Web page on the [CDLE](#) Web site.

#### **CONTRACTS FOR SERVICES WITH PUBLIC ENTITIES REMINDER**

Contractors who enter into or renew a public contract for services with Colorado state agencies or political subdivisions must participate in either the federal [E-Verify](#) program or the [Department Program](#).

The Colorado Division of Labor may conduct audits of contractors to determine compliance with the law. Violations of the law may result in contract termination and liability for actual and consequential damages.

For more information, visit the [Public Contracts for Services](#) Web page on the [CDLE](#) Web site.

#### **QUESTIONS OR CONCERNS?**

For UI premium questions and issues related to your account, e-mail [UI Employer Services](#). You may also call 303-318-9100 (Denver-metro area) or 1-800-480-8299 (outside Denver-metro area).