

Save thousands on your Unemployment Costs!

Endorsed by



First Nonprofit Group
An AmTrust Financial Company

First Nonprofit Group

Exclusively insuring the nonprofit sector since 1978

Providing unique risk management products to minimize unemployment exposure and capture savings for nonprofits, government entities and Native American Indian Tribes.



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Our Nonprofit Partners



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Unemployment Background

1972

Congress determines that nonprofits need to provide employees with unemployment benefits

1978

Congress passes legislation to permit nonprofits the option of reimbursing the state for claims

1993

First Nonprofit began offering the Unemployment Program to current policyholders

2001

First Nonprofit Companies expands to include all nonprofits with a complete line of unemployment solutions

Currently 1,500 unemployment clients nationwide



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The Law States:

- **The Method the States are Required to use in Coverage .06 Nonprofit organizations.--IRC Sec. 3304 (a) (6) (B) provides, as a condition for approval of state laws (see .05, above), that the states must permit the nonprofit organizations required to be covered under [IRC Sec. 3309 to contribute state unemployment taxes under a special method. Under IRC Sec. 3309\(a\)\(2\) the states are required to provide nonprofit organizations, or groups of such organizations with the option of reimbursing the state for unemployment compensation payments attributable to service with the organization \(s\) in lieu of paying contributions under the normal tax provisions of the state law.](#) This includes nonprofit elementary and secondary schools from 1978. In effect, the nonprofit organizations are allowed to adopt a form of self-insurance. Under the reimbursement method of financing, a non-profit organization whose workers experience no compensated unemployment in a year will have no unemployment insurance costs for that year.**
- A nonprofit organization electing to switch to the reimbursement method of paying UI contributions is, under specified conditions, allowed to apply any accumulated balance in its state UI account to benefit costs it incurs after the switch, under the 1983 Amendments (see ¶23,305J).
- IRC Sec. 3309 (a) (2) authorizes a state to enact safeguards to insure that those nonprofit organizations which use the "reimbursement" method of coverage will make their payments to the state. For example a state may require that a bond be furnished by a

Unemployment Insurance Reports

¶20.27



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Taxpaying vs. Reimbursing

↑
Nonprofit
Unemployment
Claims

vs.

↑
Private Sector
Unemployment
Claims



- Subsidize the higher employment claims of private sector employees
- Pay more money into a non-refundable reserve account
- Reimbursing is dollar for dollar



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Current State UI Debts

Loans due the Federal Unemployment Government

Currently 19 States still have unpaid loans and are passing legislation to raise revenue to pay off the balance and the interest on the loans to avoid losing the FUTA credit



UNITED STATES DEPARTMENT OF LABOR
Employment & Training Administration

Trust Fund Loans

- Outstanding Loans from the Federal Unemployment Account. Balances as of July 23, 2013 are:

Arizona	\$133,894,349.65
Arkansas	\$167,818,135.86
California	\$8,933,964,969.64
Connecticut	\$573,815,534.35
Delaware	\$71,484,231.30
Georgia	\$396,683,419.04
Indiana	\$1,392,276,514.26
Kansas	\$50,208,798.13
Kentucky	\$630,988,329.13
Missouri	\$322,486,603.17
Nevada	\$594,987,025.22
New Jersey	\$450,271,499.56
New York	\$2,783,577,885.13
North Carolina	\$2,169,501,764.75
Ohio	\$1,554,135,727.59
Rhode Island	\$164,860,755.72
South Carolina	\$531,557,059.72
Virgin Islands	\$72,490,336.90
Wisconsin	\$568,318,192.17
Total	\$21,563,321,131.29



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Potential Florida UI Changes

\$15,000!

POTENTIAL WAGE BASE INCREASE

Pending federal legislation would increase Florida's unemployment wage base from \$8,000 to \$15,000 in 2014, therefore increasing the average unemployment tax cost per employee from \$339 to \$636!

FLORIDA COST PER EMPLOYEE CONTINUES TO INCREASE EVERY YEAR

\$286 | 2011

\$321 | 2012

\$339 | 2013

\$636 | 2014



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Florida Tax Rate Notice



Reemployment Tax Rate Notice

Formerly, Unemployment Compensation Tax Rate Notice
This is not a bill, retain for your records.

FT-20
R. 08/12
08/27/2012

SAMPLE

FT Account Number: Effective Date of Rate: 10/01/2012

Mailed on or Before: 09/04/2012 Date to be Retired:

Protest Deadline: 09/24/2012 Reason Code (see back): D

1 Multiplier	2 Benefit Charges (3 years below)	3 Rate Calculation Wages (3 years below)	4 Benefit Ratio	5 Variable Adj. Factor (4 X 1)	6 Fixed Adj. Factor	7 Tax Rate
.9074	0.00	500,485.52	.0000	.0000	.0151	.0151

Quarterly reports are required to be submitted even if no tax is due.

Current tax rates are computed using only the quarters listed below

Quarter	Year	Benefit Charges	Taxable Wages Reported Timely	Wages Used in Rate Calculation *
2	2008	0.00 X 0.90 = 0.00	0.00	0.00
3	2008	0.00 X 0.90 = 0.00	0.00	0.00
4	2008	0.00 X 0.90 = 0.00	0.00	0.00
1	2010	0.00 X 0.90 = 0.00	0.00	0.00
2	2010	0.00 X 0.90 = 0.00	69,423.39	0.00
3	2010	0.00 X 0.90 = 0.00	76,776.14	104,550.34
4	2010	0.00 X 0.90 = 0.00	15,800.53	22,895.57
1	2011	0.00 X 0.90 = 0.00	146,873.77	166,880.27
2	2011	0.00 X 1.00 = 0.00	7,128.28	17,730.37
3	2011	0.00 X 1.00 = 0.00	0.00	589.36
4	2011	0.00 X 1.00 = 0.00	13,846.00	15,346.00
1	2012	0.00 X 1.00 = 0.00	170,643.61	170,643.61

* Wages reported for the first payroll quarter are specifically excluded from the rate calculation.

IMPORTANT

APPEAL RIGHTS: This is official notification of your tax rate determination. If you disagree with the determination, you may file a written protest, which must include a short and concise statement of the facts and grounds for disagreement. To be considered timely, the protest must be postmarked on or before the protest deadline date listed on this notice. Mail the protest to Department of Revenue, P.O. Box 6510, Tallahassee, Florida, 32314-6510.

Section 443.131(2)(f), Florida Statutes (F.S.) does not allow an employer to contest the chargeability of benefits to the employer's account, in any proceeding involving the employer's tax rate, when the employer was a party to the determination, redetermination, or decision, issued by the Department of Economic Opportunity, Reemployment Assistance Program, pursuant to s. 443.151, F.S.



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Current Florida Regular Unemployment Benefits

Minimum Weekly	\$ 32	Minimum Pay Out	\$ 608
Maximum Weekly	\$ 275	Maximum Pay Out	\$ 5,225



Year	Minimum Tax Rate	Maximum Tax Rate	New Employer Rate
2013	1.02%	5.40%	2.70%

2013 Taxable Wage Base = \$8,000

**Pending legislation may increase TWB
to \$15,000!!**



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Unemployment Savings

Unemployment Savings Program
Bonded Service Program



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How much can we save?

- Amounts vary for each organization from \$150.00 to \$174,000.00 in the first year alone!
- Prior claims activity
- Annual gross wages
- Save hundreds or thousands



Unemployment Savings Program

Designed for employers with 10+ employees

- Nonprofit Program
- Fixed Budgetary Certainty
- No Pooling
- Members own reserve balances
- Individual Member Stop loss insurance
- Protects organization from unforeseen layoffs
- Maximizes cash flow
- Claims administration & hearing services included
- No change to employees



40 - 60% less than the state rate



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Bonded Service Program

Designed for the large employers with 100+ FTES

- Fully insured program
- No reserve balance
- Complete UI risk transfer to FNC
- Fixed annual cost
- Experience credits for favorable loss experience
- Maximizes cash flow
- Premium claims administration service
- Online employer access



20 - 35% less than the state rate



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Our claims partners make a difference

- Complete Expert Service includes:
Claims Service, Hearing Representation, Claim Audit, Detailed Reports, Education & Training Sessions

EQUIFAX



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Savings, Service & Security

- Expert Claims Service & Hearing Representation
- Budgetary Certainty
- Increased Cash flow
- No pooling costs
- Payment Verification for Accuracy & Liability
- Payment of unemployment directly to the State agency
- No change for your employees
- First Nonprofit represents your agency on all unemployment issues



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What our clients are saying...



- We find the quote to be quite favorable. What do we do to get started in the First Nonprofit UC program?
- “We saved over \$44,000 the first year alone!”
- *“First Nonprofit pointed out how much we could save. Our unemployment costs with the state were \$17,500 per year. With the new system our costs are about \$7,000.”*
- *“I encourage all nonprofits to investigate the savings that First Nonprofit can generate. The transition from our state unemployment agency has been seamless and we continue saving money each year.”*



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Over 1,500 nonprofits nationwide use FNC for their Unemployment Management

- Social Service Agencies
- YMCAs & YWCAs
- Goodwill Industries
- Domestic Violence Shelters
- United Way Agencies
- Healthcare Agencies
- Boys & Girls Clubs
- Community Action Centers
- Environmental Protection
- Arts & Science Centers
- Schools, daycare centers



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Who is eligible?

- 501c3 organizations, municipalities, and government entities
- Nonprofits who are already reimbursing or self insured
- Nonprofits who are not delinquent with the State



How To Apply:

- Complete our free evaluation
- Submit copies of your 2013 - 2010 tax rate notices
- Return application via fax or email
- **Receive a free, no obligation savings quote**
- Additional discounts applicable for early enrollment
- We file all paperwork with the State



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Thank You!



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