



FAX

TO:

FAX: 717-214-4123

PHONE: 1-866-403-6163

RE

FROM: DOUG

PAGES: 2 (including cover sheet)

DATE: 12/3/2018

CC

MESSAGE:

Carey, Douglas

From: [REDACTED]
Sent: Wednesday, November 14, 2018 12:17 PM
To: [REDACTED]
Subject: LLC TPA

Dear Representative,

This is in response to your e-mail regarding a Limited Liability Company (LLC) matter for Pennsylvania Unemployment Compensation (PA UC) tax purposes.

The Office of UC Tax Services (OUCTS) identified certain circumstances where we did not extend coverage under the PA UC Law (law) to services performed by a member of a LLC that were covered by the Federal Unemployment Tax Act (FUTA). We apologize for any inconvenience this may have caused and we are taking steps to become compliant.

Where a LLC has elected to be classified as a corporation for federal tax purposes, a member of the LLC is covered by FUTA to the extent that he or she performs services for the LLC. Section 4(l)(6) of the law provides that services covered under FUTA also constitute employment for PA UC purposes, even if the services are otherwise excluded under the law. OUCTS did not apply Section 4(l)(6) to member of a LLC that had elected corporate classification for FUTA.

If you or your client did not report the wages of one or more members of their LLC that were covered by FUTA, or your client received a refund or credit of PA UC contributions in error, it will be necessary for you or your client to report those wages. Quarterly tax reports, *Employer's Report for Unemployment Compensation*, are the reports that all employers must file on a quarterly basis to report covered wages paid to PA covered employees and pay the contributions due.

Effective with the first quarter 2014 filing, employers were required to electronically file quarterly UC tax and wage reports through UC Management System (UCMS). If you do not have a user id or password, you will need to go to the website at www.uctax.pa.gov, and click New User.

For more information on the UC tax system, please visit the UCMS web page at www.uc.pa.gov. Click Employer UC Services and click UC Management System.

We trust this satisfactorily responds to your inquiry. If you have any further questions, please call the Employer Contact Center at 1-866-403-6163 or send another e-mail to UC-News@pa.gov. This service is staffed weekdays from 8:00 a.m. until 4:30 p.m., Eastern Time.

Sincerely,

Employer Contact Center
Office of UC Tax Services

*Auxiliary aids and services are available on request to individuals with disabilities.
Equal Opportunity Employer/Program*

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