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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 1@ Unemployment and Disability Compensation

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Part 1@ Unemployment Compensation

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Chapter 3@ SCOPE OR COVERAGE

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Article 4@ ELECTIVE COVERAGE

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Section 708(a)-1@ Employer's Election to Qualify for Benefits

(a)

708(a)-1 Employer's Election to Qualify for Benefits

Sections 701-1, 701-2, 704-1, and 705-1 of these regulations apply to elections filed pursuant to subdivision (a) of Section 708 of the code.

(b)

An election by an employer to have his or her services deemed to be services in employment filed pursuant to subdivision (a) of Section 708 of the code shall not be effective for any purpose until the application has been approved by the department. An application for such elective coverage shall not be approved by the department unless it complies with Sections 704-1 and 705-1 of these regulations and all of the following conditions are found to exist: (1) The applicant is an employer as defined in the code or is a member of a copartnership or other form of business organization which has qualified as an employer under the code and is regularly performing services on behalf of the employer. (2) The application requests that such elective agreement be effective for a period of not less than two complete calendar years or until the termination of the applicant's employment in his or her business.

(1)

The applicant is an employer as defined in the code or is a member of a copartnership or other form of business organization which has qualified as an employer under the code and is regularly performing services on behalf of the employer.

(2)

The application requests that such elective agreement be effective for a period of not less than two complete calendar years or until the termination of the applicant's employment in his or her business.

(c)

Except as provided by subdivision (d) of this section, an employer who elects coverage under subdivision (a) of Section 708 of the code shall report wages for each calendar quarter for each individual covered under the election as follows:

(1) \$7,634 for each calendar quarter during which the individual performs services on one-half or more of the number of normal working days in each month. (2) \$2,545 for each month in the calendar quarter during which month the individual performs services on one-half or more of the number of working days of that month and for one or more other months in the same calendar quarter the provisions of paragraphs (3) and/or (4) of this subdivision apply. (3) \$1,273 for each month in the calendar quarter during which month the operation of the employer's business is temporarily interrupted or ceases or the individual becomes disabled and for these or other reasons the individual performs services during that month on less than one-half of the number of normal working days in that month. (4) No wages if the individual performs no services during a month.

(1)

\$7,634 for each calendar quarter during which the individual performs services on one-half or more of the number of normal working days in each month.

(2)

\$2,545 for each month in the calendar quarter during which month the individual performs services on one-half or more of the number of working days of that month and for one or more other months in the same calendar quarter the provisions of

paragraphs (3) and/or (4) of this subdivision apply.

(3)

\$1,273 for each month in the calendar quarter during which month the operation of the employer's business is temporarily interrupted or ceases or the individual becomes disabled and for these or other reasons the individual performs services during that month on less than one-half of the number of normal working days in that month.

(4)

No wages if the individual performs no services during a month.

(d)

If an individual covered by an employer who elects coverage under subdivision (a) of Section 708 of the code is paid unemployment compensation benefits, extended duration benefits, federal-state extended benefits, other extended unemployment benefits under any state or federal law, or unemployment compensation disability benefits for any week all or part of which is in a calendar month and in that same month performs services for the remainder of the month, the employer shall report wages for such month by reducing the normal amount of reportable wages of \$2,545 provided under paragraph (2) of subdivision (c) of this section by \$587 for each full calendar week during that month for which the individual was paid such benefits and by \$84 for each day of any portion of a week during that month for which he or she was paid such benefits, and the employer shall report wages for the remainder. EXAMPLE: The covered individual is paid unemployment compensation benefits for the week commencing July 27, 1997 and ending August 2, 1997 and for the week commencing August 3, 1997 and ending August 9, 1997. He performs services from July 1, 1997, through July 26, 1997 and from August 10 through August 31, 1997. Computation of Reportable Wages: (A) July 1997: Normal reportable wages.....\$2,545.00

Reduced by: 5 days (July 27, 28, 29, 30, 31) times \$84.....420.00
Reportable wages.....\$2,125.00 (B) August 1997: Normal
reportable wages.....\$2,545.00 Reduced by: 2 days (August 1, 2)
times \$84 equals \$168 plus \$587 (August 3-9).....755.00 Reportable
wages.....\$1,790.00

(A)

July 1997: Normal reportable wages.....\$2,545.00 Reduced by: 5 days
(July 27, 28, 29, 30, 31) times \$84.....420.00 Reportable
wages.....\$2,125.00

(B)

August 1997: Normal reportable wages.....\$2,545.00 Reduced by: 2
days (August 1, 2) times \$84 equals \$168 plus \$587 (August
3-9).....755.00 Reportable wages.....\$1,790.00