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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

**803-3 Joint Accounts for Entities Electing Reimbursement**

Article 5@ ELECTIONS FOR FINANCING UNEMPLOYMENT INSURANCE COVERAGE

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Section 803-3@ Joint Accounts for Entities Electing Reimbursement Financing

**(a)**

Application for Joint Account. Each entity desiring to participate in a joint account shall file an application in writing with the director signed by a duly constituted official. If the application is not filed at the time the application for elective coverage is filed, it shall be filed not later than December 31 of the year preceding that for which the joint rate is to apply. Each application shall list the name, address, and account number of the entity and the names, addresses, and account numbers of the other entities who are to be included in the joint account.

**(b)**

Qualifications of Members. An application to establish a joint account shall be approved by the director if he or she finds that: (1) The applicants for inclusion in a joint account are "entities" as defined in subdivision (a) of Section 803 of the code. (2) Each applicant for inclusion in a joint account has elected the same method of financing the coverage for its employees. (3) No applicant for inclusion in a joint account is a member of any other joint account.

**(1)**

The applicants for inclusion in a joint account are "entities" as defined in subdivision (a) of Section 803 of the code.

**(2)**

Each applicant for inclusion in a joint account has elected the same method of financing the coverage for its employees.

**(3)**

No applicant for inclusion in a joint account is a member of any other joint account.

**(c)**

Maintenance of Joint Account. The department shall maintain a separate account for each member of a joint account. In computing the joint contribution rate applicable to or the amount due from the members of a joint account, the department shall summarize the records of all its members to determine the joint rate in accordance with the schedule provided in Section 977 or 978 of the code or the rate or amount of contributions by the members of the joint account on the basis of reimbursement of the cost of benefits charged in the manner provided by Section 1026 of the code.

**(d)**

Additions. An entity may be added to an existing joint account if all of the employers involved file a new application with the director for a new joint account and otherwise qualify under this section.

**(e)**

Successions to Joint Account Member. If a member of a joint account is succeeded in whole or in part by another employing unit, the successor may file a request with the director for an account transfer and may immediately withdraw the acquired account from the joint account subject to Section 1051 of the code. A new joint rate or amount of contributions shall be computed for the remaining members based upon their combined accounts. Such new joint rate shall be effective as provided in Section 1053 or 1060 of the code, whichever is applicable. Such new amount of contributions shall be effective as provided by the

department. A new rate or amount of contributions shall be computed for the successor employing unit based upon the acquired account and any prior account which it has accumulated, subject to Section 1029 of the code. Such new rate shall be effective as provided in Section 1053 or 1060 of the code, whichever is applicable. Such new amount of contributions shall be effective as determined by the department. If a successor employing unit, with the consent of the remaining members, elects to succeed the predecessor entity as a member of the joint account and meets the conditions of subdivisions (a) and (b) of this section, a new joint rate or amount of contributions shall be computed. Such new joint rate shall be effective as provided in Section 1053 or 1060 of the code, whichever is applicable. Such new amount of contributions shall be effective as provided by the department. If a successor employing unit which is a member of a joint account files an application with the director for a transfer of the reserve account of a predecessor, including any predecessor which was a member of a joint account, Section 1052 of the code shall apply to the application for transfer. The joint rate of the joint account of which the successor is a member, and the joint rate of the joint account of which the predecessor is a member, where applicable, shall be recomputed in accordance with Section 1053 or 1060 of the code, whichever is applicable.

**(f)**

Withdrawal of a Member. (1) A member desiring to withdraw from a joint account may file with the director an application for withdrawal not later than December 31 of the year preceding the date of withdrawal. "Date of withdrawal" means January 1. The contribution rate or amount of contributions of the entities remaining within the joint account shall be recomputed upon the basis of their portion of the joint experience. The new rate so computed shall be binding upon

the remaining members for the entire calendar year for which that rate is determined. The new amount of contributions so computed shall be binding upon the remaining members until amended by the department as provided in Section 803-4 of these regulations. A new rate or amount of contributions shall be computed for the withdrawing entity based upon its individual experience. (2) A member's participation in a joint account shall cease effective upon the date of the member's termination of business or upon the effective date of the member's termination of its elective coverage agreement. Effective as of that date, a contribution rate or amount of contributions for the entities remaining within the joint account shall be recomputed on the basis of their portion of the joint experience. The new rate so computed shall be binding upon the remaining members for the remainder of the calendar year. The new amount of contributions so computed shall be binding upon the remaining members until amended by the department as provided in Section 803-4 of these regulations. (3) Whenever a joint account is reduced to one member, it is dissolved and a separate rate or amount of contributions shall be computed as of the date of dissolution for each entity based on its individual experience.

**(1)**

A member desiring to withdraw from a joint account may file with the director an application for withdrawal not later than December 31 of the year preceding the date of withdrawal. "Date of withdrawal" means January 1. The contribution rate or amount of contributions of the entities remaining within the joint account shall be recomputed upon the basis of their portion of the joint experience. The new rate so computed shall be binding upon the remaining members for the entire calendar year for which that rate is determined. The new amount of contributions so computed shall be binding upon the remaining members until amended by the department as provided in Section

803-4 of these regulations. A new rate or amount of contributions shall be computed for the withdrawing entity based upon its individual experience.

**(2)**

A member's participation in a joint account shall cease effective upon the date of the member's termination of business or upon the effective date of the member's termination of its elective coverage agreement. Effective as of that date, a contribution rate or amount of contributions for the entities remaining within the joint account shall be recomputed on the basis of their portion of the joint experience. The new rate so computed shall be binding upon the remaining members for the remainder of the calendar year. The new amount of contributions so computed shall be binding upon the remaining members until amended by the department as provided in Section 803-4 of these regulations.

**(3)**

Whenever a joint account is reduced to one member, it is dissolved and a separate rate or amount of contributions shall be computed as of the date of dissolution for each entity based on its individual experience.

**(g)**

Dissolution of Joint Account. Except as provided in subdivision (f)(3) of this section, a joint account may only be dissolved as of January 1, if the members file an application with the director not later than December 31 of the preceding year, whereupon a separate rate or amount of contributions shall be computed for each entity based upon its individual experience.