

STAY IN THE KNOW

Welcome to the Q32025 edition of the DC Department of Employment Services (DOES) Office of Unemployment Compensation (OUC) – Tax Division Newsletter.

Every quarter, we release a new issue to keep you informed.

The DOES OUC-Tax Division newsletter is designed to provide you with the latest information on your rights and responsibilities as an employer within the District of Columbia. Administered by DOES in collaboration with the U.S. Department of Labor, the Unemployment Insurance (UI) program is funded through taxes paid by employers operating within the District.

To maintain eligibility for the **5.4% credit** against Federal Unemployment Tax Act (FUTA) liability, it is essential that employers remain current and comply with their DOES obligations.

For any inquiries, please contact the OUC UI Tax Division at UITax.info@dc.gov or **(202) 698-7550**. More information is available on our website at unemployment.dc.gov.

Thank you for your continued partnership in employing workers in the District of Columbia. We are dedicated to providing excellent customer service and are here to support you by addressing any questions you may have.

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Fraud Spotlight: Worker Misclassification

Misclassification of workers occurs when an employer improperly classifies employees as independent contractors in to avoid payroll taxes, minimum wage, overtime, or comply with other wage and hour law requirements, such as providing meal periods and rest breaks. If you believe that you may have misclassified workers, or have relevant information to provide, please contact DOES at uitax.info@dc.gov.

FRAUD AWARENESS AND EMPLOYER RESPONSIBILITIES:

Employer cooperation with SIDES requests supports UI integrity.

As a District employer, you may be contacted by the agency to verify employee wage and separation information that is supplied in the claim process. Your businessDC Networks account will allow you to receive and respond to such requests through the State Information Data Exchange System (SIDES) in a streamlined manner.

If you have any questions or issues logging into your business DC Networks account, please email SIDES.OIT@dc.gov for prompt assistance. Employers registered with SIDES can continue to log in through SIDES with their PIN. For inquiries regarding SIDES, please email SIDES.HELP@dc.gov.

It is important to note as an employer that your DC Networks account gives you a way to:

- Respond to requests for separation information:
- View your responses to those requests;

- View your potential charges;
- View your charge history; and
- Contact DOES.

Employers are responsible for monitoring their accounts and respond timely to information requests received through it. Prompt cooperation with information requests assists DOES with preventing UI benefit overpayments and making corrections when they do happen. Furthermore, employer provided data can at times be a valuable element in UI fraud investigations.

In cases of possible identity theft detected by DOES, obtaining the employer copies of the claimant's identification documents and signatures allows DOES personnel to compare photos, signatures and data to verify identity of the claimant. The information shared by the Employer is critical to verifying the base period wages a claimant asserts in their application, which ensures wages are not over-reported, as well as verifying the reason for separation the claimant lists in their application is not falsified to fraudulently qualify them for benefits.

The Benefits Payment Control (BPC) branch of DOES relies on employers to respond timely to Wage Audit Notices to assist with identifying fraud for non-reported or under-reported wages by claimants.

As part of routine claim processing, it is the responsibility of the employer to verify:

- Claimant's dates of employment;
- The reason for separation; and
- The presence or absence of severance pay.

As a District employer, you represent a crucial link in the ongoing effort to prevent and address fraudulent practices that constitute a drain on the functioning of the UI system. Your assistance as an employer in allowing the Agency to identify and combat fraud is always highly valued.

SUTA Dumping: Know What It Is and How to Avoid It

SUTA is an acronym for State Unemployment Tax Act, and "Dumping" refers to the unlawful actions of an employer aimed at paying Unemployment Insurance (UI) taxes at a lower rate. Instead of paying UI taxes at its Agency-assigned rate, which is based on its own experience with layoffs and payrolls, under this scheme, an employer attempts to avoid a higher rate by "dumping" its experience.

This most frequently involves merger, acquisition, or restructuring schemes, particularly those where the workforce/payroll is shifted from one business entity to another. The Office of Unemployment Compensation (OUC) has invested in employee-movement detection software designed to identify potential SUTA Dumping offending employers. Similarly, the District has passed legislation at D.C. Code § 51–103(n) that implements federal statutory law setting forth the criteria for SUTA Dumping investigation and determination. Penalties for SUTA Dumping violations are authorized by the federal SUTA Dumping Prevention Act of 2004 and the Social Security Act § 303(k)(1)(D).

The best method to avoid being investigated and/or identified as a SUTA Dumping offender is to inform the Office of Unemployment Compensation-UI Tax Division promptly and voluntarily when any change in your business occurs.

Employer Responsibility to Report Changes

As a reminder, when any change in your business occurs, it is your responsibility to notify the Tax Division promptly. You may use the uitax.info@dc.gov email to communicate these important changes to the OUC-UI Tax Division:

- Change in the name of your legal entity
- Change of your designated legal or third-party representative
- Change of address, phone number, or email address
- Acquisition of another business, whether partial or total

- Change of ownership or business reorganization (e.g. partnership conversion), merger or consolidation, and/or closing of business.

A Smarter Way to Reduce Costs – Without Layoffs



Running a business in today's economy isn't easy. We know fluctuate, workloads shift, and tough decisions follow. That's why the District of Columbia offers the Shared Work Program – a flexible alternative to layoffs.

Instead of cutting staff entirely, Shared Work lets you reduce employees' hours while your team receives partial unemployment benefits to help cover the gap. It's designed to help DC employers retain the people they've invested in.

Here's how it works:

- Reduce hours, not jobs
- Employees get partial unemployment benefits
- You keep your trained, reliable staff
- No out-of-pocket cost for businesses

We're here to help!

[See how Shared Work supports employers.](#)

[Apply Here](#)

Frequently Asked Question: What factors go into determining my tax rate as a contributory employer?

The factors that could affect an employer's experience rate are:

- UI benefits paid to former employees.
- The amount of taxes paid.
- Average size of taxable payroll for the past three years.

Please take a moment to review the [Unemployment Insurance Handbook for Employers](#) to learn more about the experience rating process.

AMERICAN JOB CENTER – DISTRICT OF COLUMBIA

American Job Center Locations are Here to Serve You

In late 2024, DOES announced the opening of two new full-service American Job Center (AJC) locations. The [Shannon Place AJC](#) opened in October 2024, followed by the [Downtown AJC](#) in November. The **Reeves Center** and **Bertie Backus AJCs** have permanently closed.

Our new locations provide the same personalized, in-person services our community has come to expect, now with upgraded equipment and resources. These upgrades elevate our agency's capacity to support and serve our community.

Services available to employers at these new locations, as well as our flagship [Headquarters on Minnesota Avenue](#), include:

- Developing job order requirements
- Matching job seekers with job requirements
- Aiding special recruitment efforts
- Organizing job fairs
- Filling hard-to-recruit positions
- Supporting job restructuring efforts
- Assisting with managing layoffs



We encourage you to explore the benefits and opportunities that the American Job Center provides!

Useful Links

[Employer Self-Service Portal \(ESSP\)](#)
[UI Tax Division Forms](#)

For questions, contact the OUC UI Tax Division at **(202) 698-7550** or UITax.info@dc.gov.



STAY CONNECTED:



Questions? [Contact Us](#)

SUBSCRIBER SERVICES:

