

## C-101 - Employer's Quarterly Wage and Contribution Report

### **FILING INFORMATION**

Each quarter the employer must file **ONE** report which includes both State Unemployment and Health Care reporting and any amounts potentially due. Reports can be filed via paper or on the Internet. All reports must be filed by the due date and in accordance with the specifications indicated below to avoid a penalty being assessed.

**INTERNET FILING:** Our on-line application can be found on our website under "Businesses" and "UI Internet Reporting". The first time you use this application, you will be required to register. Once your registration has been confirmed, you will be provided with a password by mail. Instructions and help menus are available when using the on-line application.

**FILING BY PAPER:** When filing via paper you must use the department's form or an approved facsimile with scan line, typed or printed clearly with all items completed. DO NOT send a photocopy.

**REQUIRED FORMAT:** When submitting additional wage information, you can download Form C-147 or use paper that is 8 1/2" x 11" with print NO LESS THAN 1/8" HIGH, SPACED VERTICALLY NO MORE THAN 3 OR 4 LINES PER INCH, and TYPED or BLOCK PRINTED in DARK BLUE OR BLACK INK ONLY. Each sheet must be headed with your 7-digit employer number, employer name and quarter-ending date. Your format must include six columns in this order: SS#, name (last, first, middle initial), total gross wages paid, H/S (hourly/salary), hourly rate and gender, M/F. If you are using a company printout, any additional columns must be crossed out. Make only one entry per employee. Each page must end with the page number and a subtotal of the wages on that page. Additional report pages need not be individually signed and dated, but they must be returned with a properly signed and dated C-101 report. If the original C-101 report is misplaced or destroyed, a duplicate form can be requested by calling (802) 828-4344, or you have the option to file your report in our on-line application.

**MAGNETIC MEDIA REPORTING:** Employers previously authorized to submit magnetic media, **begin with item 8**. If you are interested in submitting wage information via computerized magnetic media at this time or in the future, please download the specifications and authorization form C-19 from our website under "Unemployment Insurance & Wages", "Forms and Publications" links or contact the Magnetic Media Specialist at (802) 828-4253.

### **GENERAL INFORMATION**

- A **penalty** of \$35.00 will be assessed if report is not: 1) legible, complete, or submitted in acceptable format; or 2) received postmarked on or before the due date. Due dates that fall on a weekend or legal holiday will be accepted as timely if postmarked on or before the next business day.
- **Interest** accrues at 18% annually on any unpaid tax from the quarterly due date to the date payment is received.
- **Individuals exempt from coverage and not reportable** include: Sole proprietor or members of partnerships or limited liability companies; parents, spouses, civil union partners, and children under 18 years of age, of the sole proprietor; individuals who are enrolled in a full-time accredited educational program which combines academic instruction with work experience; elected officials of a government entity; and volunteer fire and emergency personnel.
- **Gross wages paid are defined as:** Wages **before** deductions are made for such items as withholding and Social Security/FICA taxes.
- **Wages include all remuneration for services** such as: Salaries, draws, commissions, profit sharing draws, employees' shares of Social Security, or any other term, paid in money or something other than money, on the basis of piece rates, hour rates, day rates or fixed weekly, monthly or annual stipends; payments into pension funds, union dues, insurance, etc.; meals and lodging provided by an employer to an employee even when used to meet minimum wage requirement; severance pay, wages in lieu of notice, vacation, advances to employees for expenses (including travel) for which no accounting or reporting to the employer by the employee is required; tips which are reported pursuant to Section 6053 of the Internal Revenue Code; sick pay payments made under an employer's plan through the first six months; sick payments provided from a third-party insurer financed by employee-paid premiums are taxable to the employer if the employer is notified by the insurer of said payment. Otherwise the insurer is responsible for reporting the taxable wage; employee contributions to a 401K deferred compensation plan; cash value of benefits provided under a Cafeteria Plan as described in Section 125 of the Internal Revenue Service Code.
- **Wages do not include:** Facilities or other privileges (entertainment, restaurant meals, medical services, "courtesy discounts" on purchases) furnished or offered by an employer merely as a convenience to the work or as a means of promoting the value or efficiency of work; director's fees; payments paid by the employer to or on behalf of an employee for sickness or accidental disability after six months; contributions paid by the employer to an employee pension plan; payments made by Workers' Compensation.

(Continued on Reverse)

**ITEM-BY-ITEM INSTRUCTIONS**

**ITEM 1, 2 & 3:** For each subject employee enter: 1. SSN, 2. employee's last name, full first name, middle initial and, 3. the total GROSS WAGES PAID the employee during the quarter. Negative wages are not accepted. Employees include ALL individuals who perform services for wages. See "General information" for further information on reportable gross wages.

**ITEM 4:** Enter "H" if hourly worker or "S" if salaried worker. If "S", skip to item 6.

**ITEM 5 & 6:** Enter hourly rate. If employee is receiving multiple rates, enter the predominant rate. (Ex. If an employee works 15 hours at \$7.00 an hour and 25 hours at \$8.00 an hour, enter \$8.00). Enter "F" for Female or "M" for Male.

**ITEM 7:** Enter page number. **TOTAL WAGES THIS PAGE.** All subsequent pages would reflect the total gross wages for EACH individual page. (The total gross wages paid for all pages should agree with Item 10.)

**ITEM 8:** Enter the monthly employment data for Item 10. This is a count of all full-time and part-time workers in covered employment who perform services during or received pay for the payroll period which includes the 12th of each month. If no employment occurred during the payroll period, enter zero. **Do not leave any box blank.**

**ITEM 9:** Check the appropriate box when a change in the business name or ownership, and/or if you no longer have employees and wish to inactivate your account.

**ITEM 10:** Enter total gross wages "**PAID**" to all employees.

**Non-profit or Governmental Reimbursable employers, OMIT Items 11 through 15.**

**ITEM 11:** Enter total excess wages paid this quarter. "Excess wages" means the amount paid to each employee after his or her year-to-date earnings have exceeded the maximum calendar year taxable wage limit (\$8,000.00).

| <b>EXCESS EXAMPLE</b> |                  |                     |                    | <b>EMPLOYEE 1</b> earned \$5,000 per quarter. The \$8,000 per year EXCESS limit was met in the 2nd quarter by \$2,000. All wages for this employee after the \$8,000 limit are EXCESS. |                         |                             |                            |
|-----------------------|------------------|---------------------|--------------------|--|-------------------------|-----------------------------|----------------------------|
| Quarter               | Total Wages/Qtr. | In Excess of \$8000 | Taxable Wages/Qtr. | <b>EMPLOYEE 2</b> does not reach the \$8,000 EXCESS limit until the 4th quarter.   |                         |                             |                            |
| 1st                   | \$5,000          | \$0                 | \$5,000            | <b>EXCESS is based on individual wages, however, Item 11 must be the total excess for ALL employees.</b>   |                         |                             |                            |
| 2nd                   | \$5,000          | \$2,000             | \$3,000            |  |                         |                             |                            |
| 3rd                   | \$5,000          | \$5,000             | \$0                |  |                         |                             |                            |
| 4th                   | \$5,000          | \$5,000             | \$0                |  |                         |                             |                            |
| <b>EMPLOYEE 2</b>     |                  |                     |                    | Excess for Employee 1 AND Employee 2 is as follows:  |                         |                             |                            |
| Quarter               | Total Wages/Qtr. | In Excess of \$8000 | Taxable Wages/Qtr. | Reportable Quarter   | Line 10 Total Wages/Qtr | Line 11 In Excess of \$8000 | Line 12 Taxable Wages/Qtr. |
| 1st                   | \$2,000          | \$0                 | \$2,000            | 1st  | \$7,000                 | \$0.00                      | \$7,000                    |
| 2nd                   | \$2,000          | \$0                 | \$2,000            | 2nd  | \$7,000                 | \$2,000                     | \$5,000                    |
| 3rd                   | \$2,000          | \$0                 | \$2,000            | 3rd  | \$7,000                 | \$5,000                     | \$2,000                    |
| 4th                   | \$3,000          | \$1,000             | \$2,000            | 4th  | \$8,000                 | \$6,000                     | \$2,000                    |

**ITEM 12:** Subtract Item 11 from Item 10 and enter the results. (This is the taxable wages for the quarter).

**ITEM 13:** Multiply Item 12 by your tax rate indicated on the form and enter the results. **(This tax must not be deducted from workers' wages.)**

**ITEM 14:** If applicable, this is the credit amount\* existing on your account as of the date this report was printed. This amount MUST BE deducted from tax amount due. (\*In the event subsequent adjustments changed this credit amount, you will be billed for the difference.)

**ITEM 15:** Enter the amount due (Item 13 minus Item 14). If Item 14 is greater than Item 13, ENTER 0.

**ITEM 16:** Enter the "Adjusted Uncovered FTE" count from Line C of the Health Care Contribution Worksheet, Form HC-2. (The "Adjusted Uncovered FTE" is the full-time equivalent of "uncovered" employees reportable during the calendar quarter.) Further information about the Health Care Contribution Worksheet is provided on form HC-3, which is available on our website.

**ITEM 17:** Multiply Item 16 by \$91.25 and enter the results. This is your quarterly Health Care Contribution, which should be the same amount as indicated on Line D on Form HC-1). **(This Health Care tax must not be deducted from workers' wages.)**

**ITEM 18:** Add Items 15 and 17 and enter total. Make check or money order payable to Vermont Department of Labor. **(NOTE: All delinquent payments will first be applied to any prior amounts due the department.)**

**CERTIFICATION:** Please read and then provide telephone number and signature/title. (Must be owner, principle officer or authorized representative.)

## INSTRUCTIONS FOR FORM C-147

This additional report form can be used when an employer has more employees than the original Quarterly Wage & Contribution Report (Form C-101) form can accommodate.

### WHO MUST FILE

Every employer who is subject to the Vermont Unemployment Compensation Law (Title 21, Chapter 17, VSA). Inquiries on these instructions can be made by calling 802-828-4344.

### DUE DATES

The completed report forms should be returned with the Quarterly Wage & Contribution Report (Form C-101) and must be returned or postmarked on or before the due date shown on the face of the Quarterly Wage & Contribution Report. Complete each page by entering the Employer's Vermont Unemployment Account Number, the Quarter Ending Date, the Employer Name and the following information for each employee:

- ITEM 1** Enter employee's Social Security Number.
- ITEM 2** Enter the employee's last name, full first name, and middle initial.
- ITEM 3** Enter the total **gross wages paid** the employee during the quarter.
- ITEM 4** Enter **H** for an **Hourly** worker or **S** for a **Salaried** worker. If S, skip to Item 6.
- ITEM 5** Enter hourly rate of pay. If worker receives multiple rates, enter the predominant rate.  
(For example, a worker works 15 hours at \$7.00 per hour and 25 hours at \$8.00; enter \$8.00.)
- ITEM 6** Enter **F** for **Female** or **M** for **Male**.
- ITEM 7** Enter page number and total gross wages paid to all employees for the quarter for each page. Total of ALL pages should agree with the amount on ITEM 9 on the Employer's Quarterly Wage & Contribution Report.

### ADDITIONAL FORMS

To request an additional supply of reporting forms, contact the department at 802-828-4344. When submitting additional information without a department form, paper must be 8-1/2" x 11" with **print NO LESS THAN 1/8" HIGH, SPACED VERTICALLY NO MORE THAN 3 OR 4 LINES PER INCH, TYPED OR BLOCK PRINTED IN DARK BLUE OR BLACK INK ONLY**. Each sheet must be headed with your employer number, quarter ending date and employer name. Your format must include the six columns *in this order* - Social Security number, Name (Last, First, Middle Initial), Quarterly Gross Wages Paid, Hourly or Salaried worker indicator, Hourly Rate and Gender. If using a computer printout, any additional columns **MUST** be crossed out. Make only one entry per employee. **Negative wages are not accepted**. Each page must end with the page number and a subtotal of the wages on that page. Additional report pages need not be individually signed and dated, but they must be returned with a properly signed Quarterly Wage & Contribution Report (Form C-101).

### MAGNETIC MEDIA

Information on submitting wage information via magnetic media can be found on our web site at <http://labor.vermont.gov> under the "Unemployment Insurance & Wages", "Forms and Publications" links. Questions about the specifications can be answered by calling 802-828-4253. Before sending live data, an authorized request must be completed and sent in. This form is part of the specification information on the web site.

Vermont Department of Labor  
**HEALTH CARE CONTRIBUTION WORKSHEET for**

\_\_\_\_\_  
(Quarter/Year)

Effective with the quarter beginning April 1, 2007, employers must gather information to determine if a Health Care Contribution will be due for the reporting quarter. Quarterly Health Care contributions are calculated by determining the "Full Time Equivalent" (FTEs) worked by "uncovered" employees during the reporting quarter. The following worksheet will help you determine what amount, if any, is owed. Complete instructions and further information about this worksheet are provided in form HC-3, which is available on our website at [www.labor.vermont.gov](http://www.labor.vermont.gov) or by calling Employer Services at 802-828-4344.

**Hours in the reporting quarter shall NOT exceed 520 for EACH employee.**

**Uncovered Vermont Employee Count:**

Total # of hours worked  
by ALL uncovered employees

**Section I**

If you do **NOT** offer to pay a portion of a Health Care plan for ANY employees:

- Enter the total number of hours worked by all employees you employed during the reporting quarter on this line and proceed to "**Calculations**" section of this form.

\_\_\_\_\_  
Section I, Line 1

**Section II**

If you **DO** offer to pay a portion of a Health Care plan for some or all employees:

- Enter the total number of hours worked by all employees who were offered and are eligible for coverage, but elect not to accept the coverage and have no other health care coverage.
- Enter the total number of hours worked by all employees who are not eligible for health care coverage offered by you. You should also report on this line the total number of hours worked by all "seasonal" or "part-time" employees who: 1) do not have health care; or, 2) have VHAP or Medicaid; or, 3) have worked over the hours/time period allowable to be classified as a "seasonal" or "part-time" employee.

\_\_\_\_\_  
Section II, Line 1

\_\_\_\_\_  
Section II, Line 2

| <b><u>Quarter Ending Dates:</u></b> | <b><u># of FTEs Exempted</u></b> | <b>Use these Exemptions for<br/>Line C calculations below.</b> |
|-------------------------------------|----------------------------------|--|
| 6/30/07 - 6/30/08 .....             | 8                                |  |
| 9/30/08 - 6/30/09 .....             | 6                                |  |
| 9/30/09 and subsequent .....        | 4                                |  |

**Calculations:**

- A. Enter the grand total of hours worked by all "uncovered" employees indicated above on Line A. **(If grand total is a partial hour, round down to the nearest hour.)**
- B. Divide Line A by 520 and enter results on Line B. This is your **unadjusted** FTE count. **(If necessary, round down to the nearest whole number.)**
- C. Subtract the number of exempted FTEs (see above) from Line B and enter results on Line C. This is your **adjusted** and reportable FTE count. **(If less than or equal to zero, you must report zero on C-101 Line 16.)**
- D. Multiply Line C by \$91.25 and enter results on Line D. This is your quarterly Health Care Contribution. **(Report this amount, even if zero, on C-101 Line 17.)**

\_\_\_\_\_  
Line A

\_\_\_\_\_  
Line B

\_\_\_\_\_  
Line C

\_\_\_\_\_  
Line D

**Do not return this form to the department. You must retain it in your records for THREE YEARS.**

## HC-1 DECISION TREE

(Refer to worksheet instructions form HC-3 for definitions and more information.)

**QUESTION:** Do you offer to pay a portion of a Health Care plan to some of your employees?

### IF NO (SECTION I)

All employees are considered “uncovered” and **ALL** hours worked **MUST BE** included in FTE calculation.

**STOP**

### IF YES (SECTION II)

Consider each individual employee:

Is Employee eligible to enroll?

#### IF YES

Does the employee choose to participate in the plan?

#### IF YES

Employee is considered covered; hours are **excluded** from FTE calculation.

**STOP**

#### IF NO

Have employee complete VDOL Declaration of Coverage, Form HC-2.

Did employee indicate coverage from another source?

#### IF YES

Employee is considered covered; hours are **excluded** from FTE calculation.

**STOP**

#### IF NO

Employee is considered uncovered and ALL hours are **included** in FTE calculation.

**STOP**

#### IF NO

Can the employee be classified as “seasonal” or “part-time” as defined in worksheet instructions?

#### IF YES

Have employee complete VDOL Declaration of Coverage, Form HC-2.

Did employee check box “I do not have coverage or I have coverage through VHAP or Medicaid?”

#### IF YES

Employee is considered uncovered and ALL hours are **included** in FTE calculation.

**STOP**

#### IF NO

Did Employee work more than the allowable time/hours allowable to be classified “seasonal” or “part-time”?

#### IF NO

Employee is considered covered; hours are **excluded** from FTE calculation.

**STOP**

#### IF YES

Employee is considered uncovered and ALL hours are **included** in FTE calculation.

**STOP**

#### IF NO

Employee is considered uncovered and ALL hours are **included** in FTE calculation.

**STOP**

# ***A Guide for Health Care Contribution Reporting***



**[www.labor.vermont.gov](http://www.labor.vermont.gov)**

# General Information

All C-101 reports for and subsequent to the 2nd quarter of 2007 must include a Health Care Contribution for all “uncovered” (as defined within) employees. This pamphlet is designed to assist you with this reporting.

A Health Care Contribution Worksheet (HC-1) form will be mailed to you with the Quarterly Wage and Contribution C-101 Report. A sample copy of the HC-1 form has been included in this pamphlet for your reference. Also enclosed is a Declaration of Coverage (HC-2) form. Please note specific situations when this form must be completed by your employees. You may make or obtain additional copies of the HC-3 form from the website below.

Outside of the information contained within, there is also a wealth of additional information presented on the web to include:

- 💡 Frequently Asked Questions
- 💡 Covered/Uncovered Tree
- 💡 On-Line Health Care FTE Calculator
- 💡 Reporting Examples
- 💡 Power Point Presentation on Health Care Reporting
- 💡 Administrative Rules
- 💡 And more . . .

All of the above information can be obtained on our website at:  
<http://labor.vermont.gov/Default.aspx?tabid=1164>

You may also contact your local Unemployment Insurance Field Representative at any of the locations listed below or call our Employer Services Unit for additional assistance.

|                                  |              |
|----------------------------------|--------------|
| ☐ Barre Area                     | 802-828-4209 |
| ☐ Morrisville Area               | 802-888-2542 |
| ☐ White River / Barre Area       | 802-828-4200 |
| ☐ Rutland / Woodstock Area       | 802-786-8806 |
| ☐ Burlington / Middlebury Area   | 802-652-0328 |
| ☐ St. Albans / Burlington Area   | 802-951-5147 |
| ☐ Burlington Area                | 802-652-0328 |
| ☐ Bennington Area                | 802-447-2867 |
| ☐ Springfield / Brattleboro Area | 802-885-1411 |
| ☐ Newport Area                   | 802-334-3303 |
| ☐ Employer Services Unit         | 802-828-4344 |

Questions about potential eligibility for all State Health plans and/or premium assistance for Catamount Health and Employer-Sponsored insurance plans can be answered by calling the Agency of Human Services at 1-800-250-8427.



**Vermont Department of Labor (VDOL)**  
**Information for Completing Health Care Contribution Worksheet (Form HC-1)**

Every quarter the Vermont Department of Labor will issue a Health Care Contribution Worksheet (Form HC-1). **The HC-1 form, or the information it would contain, must be retained in your records for three years.**

**Definitions:**

**Employee:** Any individual, 18 years of age or older for all of a calendar quarter, employed full-time or part-time by an employer to perform services in this state, when such services fall under the definition of employment as defined by section 1301(6) of Title 21 of the Vermont Statutes Annotated, in other words, generally the same employees you report on the upper portion of the Wage and Contribution C101 report. Hours worked by employees whose “wages” are specifically exempted from UI reporting are also excluded from health care reporting. Examples of exempted wages include but are not limited to: governmental or municipal elected officials; volunteer emergency personnel; and sole proprietors.

**Employer:** Any person who is required under subchapter 4 of chapter 151 of Title 32 of the Vermont Statutes Annotated to withhold income taxes from payments of income with respect to services, but shall not include the United States government.

**Full-time equivalent (FTE):** The number of “uncovered” employees expressed as the number of employee hours worked in Vermont during a calendar quarter divided by 520. No more than one FTE (520 hours) may be assessed against an individual employee, regardless of the actual number of hours worked by that employee during a calendar quarter.

- a) For the purpose of calculating FTEs, the phrase “hours worked during a calendar quarter” means hours worked during all pay periods in that quarter for which gross wages were reported as paid, **up to 520 hours, per employee, per quarter.**
- b) An FTE shall not include any employee hours attributable to a “seasonal” or “part-time” employee, as defined below.

**Uncovered Employee:**

- a) An employee of an employer who does not offer to pay any part of the cost of health care coverage\* for its employees. (\*Coverage must include hospital and physician services.)
- b) An employee who is not eligible for the health care coverage offered by the employer; or
- c) An employee who is offered and is eligible for coverage by the employer, but elects not to accept the coverage and has no other health care coverage under either a private or public plan; or
- d) A “seasonal” or “part-time” employee who has VHAP, Medicaid, or no coverage, or has worked 21 weeks or more (in the case of a seasonal employee), or has worked 30 or more hours per week in the reporting quarter (in the case of a part-time employee); or
- e) When no declaration of coverage form is on file from: 1) an employee who declines the employer’s offer of health care coverage, or 2) from an employee who meets the “seasonal” or “part-time” definition.

**Seasonal employee:** An employee who: 1) works for an employer who offers to pay a portion of a health care plan to **ALL** of its full-time employees; and, 2) works 20 or fewer weeks, in a job scheduled to last 20 weeks or less in a calendar **year**; and 3) has health care coverage from a source other than VHAP or Medicaid. When an employee is hired for a specific period of time, which is scheduled to last 20 weeks or less, they will remain a “seasonal” employee for health care reporting purposes for the entire calendar year, unless the employee becomes eligible to enroll in the plan the employer offers/pays a portion of.

**Part-time employee:** An employee who: 1) works for an employer who offers to pay a portion of a health care plan to **ALL** of its full-time employees; and, 2) is generally scheduled to work less than 30 hours per week, with less than 390 hours worked during the calendar **quarter**; and, 3) has health care coverage from a source other than VHAP or Medicaid. **NOTE:** An employee who is scheduled to work full-time, but actually works less than 390 hours in the calendar quarter, can NOT be classified “part-time”.



**Health Care Coverage:** For purposes of HC Contribution reporting, health care coverage includes Catamount Health plans, Medicare, Medicaid, the Vermont Health Access Plan (VHAP), or a private or employer-sponsored insurance plan that includes both hospital and physician services. In the case of a “seasonal” and “part-time” employee, who is not eligible for the employer’s plan, health care coverage **EXCLUDES** VHAP and Medicaid.

**Important Reporting Details:**

- **NOTHING** has changed with the reporting of information related to Unemployment Insurance. Reporting data on the upper portion of the Quarterly Wage and Contribution C-101 remains the same. The information contained within **ONLY** relates to determining data ultimately reported on Quarterly Wage and Contribution C-101 Report, Lines 16 and 17.
- All hours worked by employees of an employer who does NOT offer a health care plan, of which the employer pays a “portion” of, are considered “uncovered”, REGARDLESS if employees have coverage from another source. The “portion” the employer must pay is not defined.
- Reporting is based on “uncovered” employees, who were 18 for the entire quarter, whose gross wages were reported on the upper portion of the C-101 report during the reporting quarter.
- Employers who DO offer a health care plan, of which they pay a portion of, will determine potential “uncovered” status upon completion of our Declaration of Coverage (HC-2) form by all employees who are not enrolled in the employer’s plan.
- Health Care Contributions are based on the Full-Time Equivalent (FTE) of hours worked in Vermont by “uncovered” employees during the reporting quarter. Hours representing non-worked hours, such as vacation pay, paid unworked holiday, or sick pay and hours representing work performed in another state may be omitted from the “uncovered” FTE calculations.
- The Health Care reporting exempts the first 8\* FTEs. \*The exemption will drop to 6 employees on July 1, 2008 and to 4 employees on July 1, 2009. If your total employee count is equal to or less than the exempted number of FTEs, you must report “zero” on C-101 lines 16 and 17. In such case, Declaration of Coverage forms are not needed until your total employee count is more than the exempted FTEs.
- Hours worked by “uncovered” employees should be accumulated throughout the quarter, capping total hours at 520, for EACH employee, PER quarter.
- Employees, who are enrolled in the health care plan their employer offers to pay a portion of, would be EXCLUDED from the FTE calculations during the reporting quarter.
- An employee who is “**eligible**” **AND** “**enrolled**” in a health care plan, but is not actually covered until a subsequent quarter, shall be considered to have health care coverage, provided such intervening period is not longer than six months. This situation is NOT a customary probationary period as, generally speaking, employees in a probationary period are **neither eligible nor able to enroll** in a health care plan. As such, employees in a probationary period would be considered “uncovered”, unless they obtain health care coverage before the end of the reporting quarter.
- If an employee has health care coverage at any point during the reporting quarter, the employee is excluded from the FTE calculations for the ENTIRE quarter.
- All hours worked during the reporting quarter by “**seasonal**” employees, who work their 21<sup>st</sup> week and beyond, will be included in the “uncovered” FTE calculation during the quarter the 21<sup>st</sup> week was worked and for each quarter thereafter during the calendar year.
- All hours worked by a “**part-time**” employee, who works more than an average of 30 hours a week in the reporting quarter, will be included in the “uncovered” FTE calculation, for the affected quarter.

- Declaration of Coverage forms only need to be completed by employees of an employer who offers to pay a portion of a health care plan, when such employee is 1) eligible for and has opted out of the plan, or 2) is a “seasonal” or “part-time” employee not eligible for the employer’s plan. If the employer does NOT offer to pay a portion of a qualifying health care plan, Declaration of Coverage forms are NOT needed, as ALL hours worked by ALL employees are considered “uncovered” regardless if the employee has coverage elsewhere.
- The employer must use the Vermont Department of Labor’s Declaration of Coverage form, which must be renewed annually. The Declaration of Coverage form must be retained by the employer for 3 years in support of health care reporting.

## HEALTH CARE DECISION TREE

**QUESTION:** Do you offer to pay a portion of a Health Care plan to some of your employees?

### IF NO (SECTION I)

All employees are considered “uncovered” and **ALL** hours worked **MUST BE** included in FTE calculation.

**STOP**

### IF YES (SECTION II)

Consider each individual employee:

Is Employee eligible to enroll?

#### IF YES

Does the employee choose to participate in the plan?

#### IF YES

Employee is considered covered; hours are **excluded** from FTE calculation.

**STOP**

#### IF NO

Have employee complete VDOL Declaration of Coverage, Form HC-2.

Did employee indicate coverage from another source?

#### IF YES

Employee is considered covered; hours are **excluded** from FTE calculation.

**STOP**

#### IF NO

Employee is considered uncovered and ALL hours are **included** in FTE calculation.

**STOP**

#### IF NO

Can the employee be classified as “seasonal” or “part-time” as defined in worksheet instructions?

#### IF YES

Have employee complete VDOL Declaration of Coverage, Form HC-2.

Did employee check box “I do not have coverage or I have coverage through VHAP or Medicaid?”

#### IF YES

Employee is considered uncovered and ALL hours are **included** in FTE calculation.

**STOP**

#### IF NO

Did Employee work more than the allowable time/hours allowable to be classified “seasonal” or “part-time”?

#### IF NO

Employee is considered covered; hours are **excluded** from FTE calculation.

**STOP**

#### IF YES

Employee is considered uncovered and ALL hours are **included** in FTE calculation.

**STOP**

#### IF NO

Employee is considered uncovered and ALL hours are **included** in FTE calculation.

**STOP**

**Completion of Health Care Contribution Worksheet – Form HC-1  
(Retain completed worksheet in your records for 3 years)**

**Data for reporting on C-101 lines 16 and 17 will be determined by completion of the Form HC-1. If there is no Health Care FTE or Contributions due, zeros must be reported on C-101 lines 16 and 17.**

**Section I:** Employers who do not offer to pay a portion of a health care plan for ANY of its employees will use this section for reporting. Enter the total number of hours worked by ALL employees on line 1 in Section I and then proceed to “Calculations”.

**Section II:** Employers who offer to pay a portion of a health care plan to some or all of its employees will use this section for reporting.

**Line 1 of Section II** is used for reporting the number of hours worked by all employees, who **were offered** and **are eligible** for coverage, but elect not to accept the coverage and have indicated on the Declaration of Coverage form that they have no other health care coverage.

**Line 2 of Section II** is used for reporting the number of hours worked by all employees who are **NOT** eligible (excluding “seasonal” or “part-time” health care classified employees) for the health care coverage offered, regardless if they have coverage elsewhere. Ineligible situations could include, but are not limited to: health care not available due to pre-existing health condition or employee is in probationary period. You should also report on this line the total number of hours worked by all “seasonal” or “part-time” employees who: 1) do not have health care; or, 2) have VHAP or Medicaid; or, 3) have worked over the hours/time period allowable to be classified as a “seasonal” or “part-time” employee.

**Calculations:**

**Line A:** Enter the grand total of hours worked by all “uncovered” employees indicated in Section I or II. If grand total is a partial hour, round down to the nearest hour.

**Line B:** To determine the **unadjusted** FTE count, divide Line A total by 520. Again, if total is a partial number, round down to the nearest whole number.

**Line C:** To determine the **adjusted and reportable** FTE count, subtract the number of \*exempted employees from Line B. If results are equal to or below zero, you **MUST** report zero on Line C and Line 16 of the Quarterly Wage and Contribution C-101 Report. *\*Exemptions are indicated on the HC-1 form mailed with the C-101 report for the reporting quarter.*

**Line D:** To determine the amount of Health Care Contribution, multiply the **adjusted** FTE count indicated on Line C by **the amount indicated on the HC-1 form** mailed with the Quarterly Wage & Contribution C-101 report for the reporting quarter. If result is zero, you **MUST** report zero on Line D and Line 17 of the Quarterly Wage and Contribution C-101 Report.

# Vermont Department of Labor

## HEALTH CARE CONTRIBUTION WORKSHEET for

(Quarter/Year) \_\_\_\_\_

Effective with the quarter beginning April 1, 2007, employers must gather information to determine if a Health Care Contribution will be due for the reporting quarter. Quarterly Health Care contributions are calculated by determining the "Full Time Equivalent" (FTEs) worked by "uncovered" employees during the reporting quarter. The following worksheet will help you determine what amount, if any, is owed. Complete instructions and further information about this worksheet are provided in form HC-3, which is available on our website at [www.labor.vermont.gov](http://www.labor.vermont.gov) or by calling Employer Services at 802-828-4344.

**Hours in the reporting quarter shall NOT exceed 520 for EACH employee.**

### Uncovered Vermont Employee Count:

Total # of hours worked  
by ALL uncovered employees

#### Section I

If you do **NOT** offer to pay a portion of a Health Care plan for ANY employees:

- Enter the total number of hours worked by all employees you employed during the reporting quarter on this line and proceed to "**Calculations**" section of this form.

\_\_\_\_\_  
Section I, Line 1

#### Section II

If you **DO** offer to pay a portion of a Health Care plan for some or all employees:

- Enter the total number of hours worked by all employees who were offered and are eligible for coverage, but elect not to accept the coverage and have no other health care coverage.
- Enter the total number of hours worked by all employees who are not eligible for health care coverage offered by you. You should also report on this line the total number of hours worked by all "seasonal" or "part-time" employees who: 1) do not have health care; or, 2) have VHAP or Medicaid; or, 3) have worked over the hours/time period allowable to be classified as a "seasonal" or "part-time" employee.

\_\_\_\_\_  
Section II, Line 1

\_\_\_\_\_  
Section II, Line 2

| <u>Effective Dates:</u>             | <u># of FTEs Exempted</u> | <b>Use these Exemptions for<br/>Line C calculations below.</b> |
|-------------------------------------|---------------------------|--|
| April 1, 2007 - June 30, 2008 ..... | 8                         |  |
| July 1, 2008 - June 30, 2009 .....  | 6                         |  |
| July 1, 2009 - June 30, 2010 .....  | 4                         |  |

### Calculations:

- A. Enter the grand total of hours worked by all "uncovered" employees indicated above on Line A. **(If grand total is a partial hour, round down to the nearest hour.)**

\_\_\_\_\_  
Line A

- B. Divide Line A by 520 and enter results on Line B. This is your **unadjusted** FTE count. **(If necessary, round down to the nearest whole number.)**

\_\_\_\_\_  
Line B

- C. Subtract the number of exempted FTEs (see above) from Line B and enter results on Line C. This is your **adjusted** and reportable FTE count. **(If less than or equal to zero, you must report zero on C-101 Line 16.)**

\_\_\_\_\_  
Line C

- D. Multiply Line C by \$91.25 and enter results on Line D. This is your quarterly Health Care Contribution. **(Report this amount, even if zero, on C-101 Line 17.)**

\_\_\_\_\_  
Line D

**Do not return this form to the department. You must retain it in your records for THREE YEARS.**

**VERMONT DEPARTMENT OF LABOR**  
Attn: Employer Services  
P.O. Box 488  
Montpelier, VT 05601-0488

INDICATE THE NAME AND ADDRESS OF YOUR BUSINESS BELOW. ☐  
PLEASE CHECK THIS BOX IF THIS IS A NEW MAILING ADDRESS.

**PLEASE  
DO NOT  
SEND  
PHOTOCOPY**

|                 |
|-----------------|
| EMPLOYER NUMBER |
| EMPLOYER NAME   |
| Q-YR            |
| QUARTER ENDING  |
| DUE DATE        |

[illegible]

IF NO ENTRY REQUIRED, ENTER ZEROES.

|   |  |   |  |  |           |  |  |
|---|--|---|--|--|-----------|--|--|
| EMPLOYER NUMBER:  |  | QUARTER ENDING:   |  |  | DUE DATE: |  |  |
| <b>EMPLOYMENT INFORMATION</b>   |  | 1st Month Total   |  | 2nd Month Total                                      |           | 3rd Month Total  |  |
| 8. For each month during this quarter, report the number of covered employees who worked or received pay for the payroll period that includes the 12th day of the month.  |  |   |  |  |           |  |  |
| 9. Status of Business - check all that apply  |  | <input type="checkbox"/> No longer have employees in VT |  | <input type="checkbox"/> Discontinued business in VT |           | <input type="checkbox"/> Ownership or name as shown above has changed                  |  |
| <b>UI Tax Contributions</b>   |  |   |  | <b>Health Care Contributions</b>                     |           |  |  |
| 10. Total Gross Wages Paid to all Subject Employees This Qtr.   |  |   |  | Department Use Only                                  |           | 16. Adjusted Uncovered FTE: (Line C from Worksheet)                                    |  |
| 11. Portion of Quarterly Wages from Line 10 IN EXCESS of Year Limit Per Employee  |  |   |  |  |           | 17. Total HC Contributions Due: (Line D from Worksheet)                                |  |
| 12. Taxable Wages - Subtract Line 11 from Line 10   |  |   |  |  |           | <b>Total Amounts Due Vermont Department of Labor (VDOL)</b>                            |  |
| 13. Contribution Tax Due (Line 12) Times Your Rate of %   |  |   |  |  |           | 18. Add Lines 15 and 17 together and enter total:                                      |  |
| 14. Credit Adjustment (Subject to Change, see instructions)   |  |   |  |  |           | <b>Submit payment payable to VDOL for the total amount indicated on Line 18.</b>       |  |
| 15. <b>TOTAL SUTA Tax Due</b> - Line 13 Minus Line 14; if amount is negative, enter 0   |  |   |  |  |           | SIGNATURE AND TITLE<br>(Must be owner, principal officer or authorized representative) |  |
| CERTIFICATION: I certify I have compiled this report with the requirements of 21 VSA Section 687 relating to securing workers' compensation coverage for my employees and the information contained in this report and all attachments are correct to the best of my knowledge. |  |   |  | Department Use Only                                  |           | Telephone Number<br><br>Date   |  |