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Increase in FUTA Rate Retro to 1/1/2011

The US Department of Labor has confirmed a change to the FUTA tax rate for employers in 21 states. Employers in affected states will pay FUTA taxes for the 2011 calendar year at a higher rate since the states failed to repay their outstanding federal UI loans by the federal due date. This tax increase is retroactive to January 1, 2011.

Employers should be prepared to pay the additional tax in their quarter 4 tax filing for the entire year of 2011. Those employers who work with a payroll vendor should check with their payroll vendor for help in calculating the amount of the additional tax, and then with their accounting department to ensure the funds are available for the payroll vendor at the time of the filing of the quarter 4 2011 tax filing.

FUTA rates for the following states increased by 0.3%

Arkansas	North Carolina
California	New Jersey
Connecticut	Nevada
Florida	New York
Georgia	Ohio
Illinois	Pennsylvania
Kentucky	Rhode Island
Minnesota	Virginia
Missouri	Wisconsin

FUTA rates for the following states increased by 0.6%

Indiana
South Carolina

The FUTA rate for the state of Michigan increased by 0.9%