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AESD, AWIB work to enhance, increase employer services at Workforce Centers

By Amanda Isbell

Business Services Representative

The Arkansas Employment Security Department/Arkansas Workforce Investment Board Business Services Team is standardizing and fine-tuning the employer services of the Arkansas Workforce Centers in Arkansas.

In addition to interviewing the employer and training provider communities, the team has been forming cooperative strategies with voluntary partners in the workforce investment system.

Employers are being asked to call with their ideas of ways to enhance the existing employer services and create new and meaningful services to employers at the Arkansas Workforce Centers in their local communities.

Interviews with employers have indicated that businesses need resources regarding labor law information, customized training solutions, recruitment and retention assistance, and prepaid services to boost the bottom line.

The state Business Services Team and Local Business Liaisons want to ensure they provide the quality solutions packages needed by businesses for retention, expansion and other workplace needs.

The workforce investment system is designed to be a “demand driven” system – and Department of Labor initiatives such as E³, the High Growth Job Training Initiative, National

See Services on back

Federal government, states take stand on SUTA dumping with new legislation

By Roger Harrod

General Counsel

SUTA DUMPING is the term that has come to apply to the efforts by employers to avoid paying their fair share of Unemployment Insurance taxes by manipulative means. SUTA stands for State Unemployment Tax Act.

In recent years, with the drain on state trust funds caused by greater unemployment, this practice has become a problem nationwide.

Finally, legislation has been passed by Congress and signed into law by the president to prohibit this activity. The new law is Public Law 108-295.

In recent years, several states, including Arkansas, have noted efforts by some employers to avoid paying their fair share of UI taxes. As more and more states recognized the problem, and as trust funds suffered, it was decided that the problem called for national legislation.

Typically, a legitimate company (one with employees) would purchase a shell corporation (one that had ceased doing business but which had a low experience rating) and then begin reporting its payroll under the employer number for the shell corporation. Or, the ongoing business might establish additional corporations

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and report only one or two employees under those employer codes for a time sufficient to establish low experience ratings.

Then the company would suddenly start reporting virtually all of its employees under a company's number with a much lower rate than its own, thus effectively “dumping” the higher experience rate.

In June, AESD established an anti-SUTA dumping committee to identify those employers engaging in this practice, and the legal department has agreed to challenge the practice, even under our current laws.

Additionally, anti-SUTA dumping legislation will be presented during the 2005 legislative session to ensure our state is compliant with federal mandates.

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AESD update AWIB

**Arkansas Employment Security Department
Arkansas Workforce Investment Board**

Arkansas Employment Security Department
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Services

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Partnership for Jobs and National Business Learning Partnership provide a focus and opportunity for the employer community to direct the services of the Arkansas Workforce Centers that ensure that employers can find the right person for the right job at the right time.

The AESD/AWIB Business Services Team urges employers to submit their ideas by calling Amanda Isbell at 501-371-1034 or sending an e-mail to business.relations.awib@arkansas.gov.

Can your community benefit from federal tax credits?

For information about the Welfare-to-Work Tax Credit and Work Opportunity Tax Credit, go to www.arkansas.gov/esd/ForEmployer/A_wotc.htm.



You can also call your local Arkansas Workforce Center
or
1-866-330-9459.

To find out about the Health Coverage Tax Credit, go to <http://www.irs.gov> (IRS keyword: HCTC) or call 1-866-628-HCTC.

Short-term projections available

The *2003-2005 Statewide Short-term Projections* publication is available for release. The employment projections are based on second quarter 2003 employer reported and past yearly historical data and have been finalized in accordance with the U.S. Department of Labor/Employment and Training Administration requirements. They have also been posted to the AESD/LMI Web site at http://www.state.ar.us/esd/LaborMarketInfo/AESD_labor_marketinfo.htm.