

# Employment Security Department

## Penalty and Interest Charges on Employer Accounts

Penalty	Brief Description	Amount	Basis for Calculation	Legal Authority:	Legal Authority:	Increase Requires RCW Revision?
				RCW	WAC	
Late Report Penalty (employer tax)	When the quarterly report is late	\$25.00	Flat fee		192-310-030	yes
Incomplete Quarterly Report (employer tax)	Quarterly report is incomplete or missing a required element or elements. First offense a warning letter with the subsequent offenses being ten percent of tax due with a minimum imposed of \$75 for the second offense, \$150 for the third offense, and \$250 for fourth and subsequent offenses.	Graduated	Use the number of employees and missing elements calculation for determining the penalty.		192-310-030	yes
Incorrect Quarterly Report Format (employer tax)	Quarterly report is received on an incorrect format (not on an approved agency form for imaging). First offense a warning letter with the subsequent offenses being ten percent of tax due with a minimum imposed of \$75 for the second offense, \$150 for the third offense, and \$250 for fourth and subsequent offenses.	Graduated	Quarterly report is not on an agency approved form. The Form must have the ability to be scanned by our system.		192-310-030	yes
Penalty for knowingly misrepresenting amount of payroll (employer)	The penalty is ten times the amount of taxes paid versus taxes due and cost of the auditing their books and collecting the taxes (WAC 192-340-100)	10 times amount of taxes not paid	Audit of records and knowingly not reporting employees.	50.12.220	192-310-030 192-340-100	yes
Interest on late tax payments (employer tax)	Interest on late tax payments	1% per month	Interest of 1% of the total tax due per month	50-24-040		yes
Late Payment Penalty (employer tax)	The escalating penalty charged when a tax payment is late.	Graduated	the greater of \$10 or 5% for the 1st month; the greater of \$10 or 5% for the 2nd month; and the greater of \$10 or 10% for the third month		192-310-030	yes
Employer Penalty	Any person who willfully gives false information relating to the financial condition of the employing unit is guilty of a gross misdemeanor.	up to \$5000		50.36.010 & 50.36.020		yes
Employer Penalty	Employing unit or agent supplying information to the department regarding claimant discharge which is contrary to that given to the claimant is guilty of a misdemeanor.	no less than \$20 and no more than \$250		50.36.030		yes
State Billing interest on late payment	A stand alone program separate from ESD-TAXIS mainframe is used to bill state agencies for benefits paid to their employees. A unique interest fee is imposed that is accrued on a daily basis compounded quarterly. The federal government sets the interest rate for each quarter.	Charged daily from a quarterly percentage.	Unemployment trust fund quarterly yield. Available at <a href="http://www.treasurydirect.gov/govt/rates/rates_tfr.htm">http://www.treasurydirect.gov/govt/rates/rates_tfr.htm</a>	RCW 50.44.020 & 50.44.060 (2)(c).		no