INDIANA
WORKFORCE
DEVELOPMENT
AND ITS WorkOne CENTERS

TO: Indiana's Workforce Investment System

FROM: Teresa L. Voors
Commissioner, Indiana Department of Workforce Development

THROUGH: Scott Sanders
Chief Financial Officer

DATE: January 2, 2009

SUBJECT: DWD Policy 2008-17
Wages Subject to Contribution

Purpose
To further define wages subject to unemployment insurance contribution

Rescission
None

Contents
In the interest of clarity as concerns wages subject to contribution for unemployment insurance purposes, this Indiana Department of Workforce Development (IDWD) policy further defines what wages will be subject to contribution. Indiana Code § 22-4-4-2 defines wages. IC § 22-4-2-4 defines contributions. Contributions are payments made by employers to the unemployment insurance benefit fund as required by IC § 22-4.

Contributions are payable upon the total wages paid within a calendar year for employment performed. Pursuant to IC § 22-4-4-2, the term "total wages" means only the first seven thousand dollars ($7,000.00) paid within a calendar year to an individual by a single employer or his predecessor within the calendar year and not including the year in which the services are performed.

Annual payroll refers to the total wages, subject to the seven thousand dollar ($7,000.00) limitation paid by an employer during the twelve (12) month period ending on the date of computation for any year and includes any wages paid by any other employer whose account has been assumed by said employer.

Wages will be considered paid when either actually or constructively paid. Wages shall be deemed constructively paid when they are credited to the account of or set apart for an individual who has performed services so that they may be drawn upon at any time by him, although not actually in his possession at the time. To constitute payment in such cases, the wages must be credited to or set apart for the employee without any substantial limitation as to the time or manner of payment or condition upon which payment is to be made and must be made available to him so they may be drawn at any time and their payment brought within his control and disposition.

Review Date
December 31, 2009

Ownership
Director of Unemployment Insurance Tax Administration
Indiana Department of Workforce Development
10 North Senate Avenue
Indianapolis, Indiana 46204
Telephone: 317.233.3150

Effective Date
January 1, 2009

Action
Indiana's workforce investment system will follow the guidance contained in this policy. Directors and managers will ensure that staff who work with this policy's subject matter are aware of the details contained in this policy and follow its guidelines.