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 2008-23
Payments to Be Considered Wages Subject to Unemployment Insurance Contribution

Purpose
To further define payments made by employers to employees that will or will not be considered as wages subject to unemployment insurance contribution

Rescission
None

Contents
In the interest of ensuring that contributions are paid on all compensation paid as a result of service performed by an employee for an employer, this Indiana Department of Workforce Development (IDWD) policy further explains items that will, in certain circumstances, be considered wages subject to contribution. Indiana Code § 22-4-4-1 and IC § 22-4-4-2 define wages, generally.

Employee discounts on purchases
Discounts allowed employees on the purchase of goods from the employer are not wages if the purchase is:

1. Optional for the employee; and
2. Discounts do not constitute regular or systematic remuneration for services rendered.

Meals and lodging
Meals and/or lodging will be considered wages subject to contribution when they are allowed by the employer to the employee as increased or additional compensation. The value as wages will be determined in the following manner:

1. Where the employer provides a fixed amount to the employee for meals and/or lodging, that amount will be considered the amount of additional remuneration.
2. Where it is not a fixed amount, the amount of additional remuneration will be the actual cost of the meals and/or lodging.

If, however, the meals and/or lodging are provided by the employer, on the premises of the employer, and for the convenience of the employer, then the meals/lodging and the value of the same will not be considered wages subject to contribution.

Wages in lieu of notice or termination allowances

Wages in lieu of notice or termination allowances include amounts paid by an employer to an employee at the time the employee is separated from employment with the employer. All such payments are deemed to be wages subject to contribution.

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.