


EY Payroll NewsFlash Workforce Tax Services

*Tax. Benefits. Human Resources.
Working together with you.*



✉ Contact us for more information

 Join us on LinkedIn

Vol.23, 085
November 17, 2022

New Hampshire positive-balanced employers' SUI tax rates continue at base rates for second-quarter 2022

Summary

- The New Hampshire Department of Employment Security [announced](#) that for second-quarter 2022, state unemployment insurance (SUI) tax rates for positive-balanced employers continue to exclude the 0.5% emergency power surcharge, the same that applies for the first-quarter 2021 through first-quarter 2022.
- The second-quarter 2022 tax rates also continue to exclude a fund balance reduction, causing positive-balanced employers to continue to pay at the base rates.
- The deposit of CARES Act funds into the state's UI trust fund also forestalled the need to increase the emergency power surcharge to 1.0% as of the fourth-quarter 2020.

The New Hampshire Department of Employment Security [announced](#) that for second-quarter 2022, state unemployment insurance (SUI) tax rates for positive-balanced employers continue to exclude 0.5% emergency power surcharge, the same that applies for the first-quarter 2021 through first-quarter 2022. Unfortunately, the second-quarter 2022 tax rates also continue to exclude a fund balance reduction, causing positive-balanced employers to continue to pay at the base rates. (EY Tax Alert [2020-1878](#), 7-23-2020.)

The Emergency Power Surcharge is reflected on employers' quarterly SUI tax returns and is reported as a state SUI contribution on the federal Form 940.

Accordingly, positive-balanced employers' SUI tax rates continue to range from 0.1% to 2.7% on basic Rate Schedule I for second-quarter 2022.

New employers continue to pay at a basic SUI tax rate of 2.7% for second-quarter 2022. The taxable wage base remains \$14,000 for calendar year 2022.

Negative-balanced employers continue to be subject to the inverse rate surcharge of 1.5% added to their base rate for second-quarter 2022. As a result, employers that were negatively balanced for three or fewer years currently have SUI tax rates ranging from 4.3% to 8.0% on Rate Schedule II. Employers that have had a negative account balance for four or more years have SUI tax rates assigned on Rate Schedule III, with rates currently ranging from 4.8% to 8.5%. (*Department employer's [handbook](#).*)

Employers should see their tax rates remain the same as for first-quarter 2022 when filing their SUI tax returns for the second quarter 2022. However, because New Hampshire is one of four fiscal-year states that assign tax rates on a fiscal-year basis, new base SUI tax rates will be in effect starting with third-quarter 2022. Fiscal year 2023 (July 1, 2022, through June 30, 2023) SUI tax rate notices reflecting employer experience through December 31, 2021, were issued in late August 2022.

Administrative contribution surcharge

An administrative contribution (AC) surcharge of 0.4% is diverted from employer quarterly SUI taxes. As a result, employer accounts are not credited for the portion of taxes attributable to the AC surcharge. For example, employers assigned a 1.7% combined rate on Schedule I will have 0.4% diverted to an AC fund and 1.3% deposited to their SUI account. Employers should not include the AC surcharge when computing the state taxes that apply for purposes of completing the federal Form 940 worksheet.

New Hampshire is one of four states that assign SUI tax rates on a fiscal-year basis

New Hampshire is one of four states (New Hampshire, New Jersey, Tennessee, and Vermont) that assign SUI tax rates on a fiscal-year, rather than a calendar-year basis.

Accordingly, new tax rate calculations take effect as of July 1, 2022 and will be effective through June 30, 2023, though New Hampshire rates may fluctuate each quarter depending on the balance of the state's unemployment insurance (UI) trust fund for the previous quarter. Fiscal year 2023 SUI tax rates will be based on state and employer experience through December 31, 2021.

For more information concerning New Hampshire SUI taxes, see the Department's [website](#).

Ernst & Young LLP insights

New Hampshire did not request to receive federal UI Title XII advances (UI loans) from the federal government. Instead, New Hampshire used CARES Act funding in 2020 to bolster the state's UI trust fund and to prevent an emergency power surcharge from being added for all of 2021 and the first two quarters of 2022. The deposit of CARES Act funds into the state's UI trust fund also forestalled the need to increase the emergency power surcharge to 1.0% as of the fourth-quarter 2020.

Contact us for more information

Workforce Tax Services - Employment Tax Advisory Services

Kristie Lowery

kristie.lowery@ey.com

Ken Hausser

Kenneth.hausser@ey.com

Debera Salam

debera.salam@ey.com

The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting or tax advice or opinion provided by Ernst & Young LLP to the reader. The reader is also cautioned that this material may not be applicable to, or suitable for, the reader's specific circumstances or needs, and may require consideration of non-tax and other tax factors if any action is to be contemplated. The reader should contact his or her Ernst and Young LLP or other tax professional prior to taking any action based upon this information. Ernst & Young LLP assumes no obligation to inform the reader of any changes in tax laws or other factors that could affect the information contained herein. Copyright 2022. Ernst & Young LLP. All rights reserved. No part of this document may be reproduced, retransmitted or otherwise redistributed in any form or by any means, electronic or mechanical, including by photocopying, facsimile transmission, recording, rekeying, or using any information storage and retrieval system, without written permission from Ernst & Young LLP.