

**Vermont Department of Employment and Training
New Wage Reporting Requirements**

Beginning with the first quarter of 2001, the Vermont Department of Employment and Training will require considerable additional information on their quarterly reports. The additional information primarily affects reporting for salaried employees.

A very helpful list of questions and answers explaining how the new reporting will work can be found below:

Questions and Answers Related to New Wage Reporting Requirements

1. Do these changes mean that I no longer have to report certain wage payments to my employees?

The definition of wages has not changed. Wages is defined as "all remuneration paid for services rendered by an individual, including commissions and bonuses, and the cash value of all remuneration paid in any medium other than cash. Gratuities customarily received by an individual in the course of his employment, from persons other than his employer and reported by the individual to his employer, shall be treated as wages paid by his employer. The reasonable cash value of remuneration paid in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the (Employment Security) board."

All employers must still report all gross wages paid to his or her employees during a calendar quarter. The only change is in how those payments are to be classified for this purpose. In other words, if wages are paid on an hourly basis, the employer would mark "h" for "hourly", and report total hours worked, the hourly rate paid, and gender. If the wages are paid on a non-hourly basis, (i.e., a set amount each week, wages including tips, on a per mile basis, or any other non-hourly payment) the employer would mark "s" for "salary", and report gender, but would not report total hours worked or hourly rate.

2. Our company employs truck drivers who are paid by the mile, not by the hour. Their weekly payments will vary depending on how many miles they drive each week. How do we report?

All such payments for services are considered wages, and the total gross wages paid each quarter must be reported. In this case, since the payments are not made on an hourly basis, the employer would mark "s" for "salary" and report gender, but would not report total hours worked or hourly rate.

3. Our company pays people to make deliveries on a per load basis. How do I report these wages?

All such payments for services are considered wages, and the total gross wages paid each quarter must be reported. In this case, since the payments are not made on an hourly basis, the employer would mark "s" for "salary", and report gender, but would not report total hours worked or hourly rate.

4. Our organization pays employees to provide respite for families who provide care for developmentally disabled individuals. Some of these employees are paid on an hourly basis, but others are paid a flat rate. How do we report these payments?

All such payments for services are considered wages and the total gross wages paid each quarter must be reported. For those employees paid on an hourly basis, the employer would mark "h" for "hourly" and report total hours worked, the hourly rate, and gender. In the case of others paid on a flat rate basis, the employer would mark "s" for "salary", and report gender, but would not report total hours worked or hourly rate.

5. Our business employs waiters and waitresses. How do I report tips in conjunction with the hourly rate?

All such payments for services are considered wages and total wages paid each quarter must be reported. In this case, the employer would include the tips as part of the total gross wages, indicate "h" for "hourly", and report total hours worked, the regular hourly rate of pay (not including tips), and gender.

6. How do I report overtime?

Overtime is to be reported as part of the total gross wages paid each quarter. Since overtime payments generally indicate that payment is made on a per hour basis, the employer would report total gross wages paid (including all overtime), mark "h" for "hourly", and report the total hours worked, the regular hourly rate (not the overtime rate), and gender.

7. How do I report bonuses paid during a calendar year?

Bonuses are to be reported as part of the total gross wages paid each quarter. If the employee is otherwise paid on an hourly basis, the employer would report total gross wages paid (including any bonus), mark "h" for "hourly", and report the total hours worked, the regular hourly rate (not including any bonus), and gender. If the employee is paid on a non-hourly basis, the employer would report total gross wages (including any bonus), and gender, but would not report total hours worked or any hourly rate.

8. What is the specific purpose of collecting additional information regarding gender?

Act 119 deals with policies designed to ensure that individuals who work receive a livable income. It deals with minimum wage policy, tax policy, and other

benefits that impact the income of individuals. During the debate, the committees heard testimony concerning the distribution of wages, including estimates that the majority of minimum wage earners are female, and that women, on average, earn less than men. There is very limited hourly wage data available for Vermont, and even less sub-state data. The Legislature's goal in collecting this information is to provide a better and more complete picture of what people earn in Vermont. It is expected they will use the information when considering policies and law that have an impact on income.

9. Who has access to this data?

Information about individuals and individual businesses is, by law, confidential. It will not be released to the public. However, state and federal law does require the release of information to some other agencies, if the information is required for them to accomplish their duties. The agencies we share information with include: the Department of Prevention, Assistance, Transition and Health Access (welfare department); the Tax Department; and the Office of Child Support. The law also allows us to release the data to Universities conducting studies of general interest, provided they agree not to release individual or employer specific data.

10. What is the response for non-compliance with the gender question?

The law provides a \$35 penalty for late and incomplete reports. The Department of Employment and Training will be somewhat flexible during the initial phase of implementing this law, but continued non-compliance will lead to assessing the penalty.

11. Is it not unconstitutional and/or illegal to require disclosure of an individual's hourly rate of pay?

We have raised this issue with a couple of attorneys and, in their opinion, these requirements do not raise any constitutional issues, nor is it illegal to disclose individual hourly wage information as required.

12. My company employs individuals who may be paid more than one hourly rate during a calendar quarter. I understand the instruction to report the predominant rate. However, in some cases, the number of hours worked at various rates is the same, and in other cases there is no history available to allow us to report the predominant rate. How do I report the hourly rate in this situation?

If an employee is paid at different rates throughout the calendar quarter, and no rate is predominant, or if it is not possible to report the predominant rate because there is no history available, then the rate paid during the last full pay period during the calendar quarter is the hourly rate that must be reported. The last full pay period may vary from employer to employer - for example,

some employers pay on a weekly basis, others pay bi-weekly, and some pay monthly, so we accept the fact that there will be variations. However, as long as it is the last rate paid that is reported, the employer will be in compliance.

13. If an employee begins the quarter working on an hourly basis and ends the quarter working on a salary basis (or vice versa), how do I report this employee?

If an employer employs an individual who begins the quarter in one status (either hourly or salaried) and changes to the other status before the quarter ends, then the employer should report based on the employee's status during the last full pay period of the calendar quarter. In other words, if they are salaried at the end of the quarter, treat them as salaried throughout the quarter and report accordingly, if they are hourly at the end of the quarter, treat them as hourly throughout the quarter and report accordingly.

If you have additional questions, please address them to wage@det.state.vt.us.
