

## Frequently Asked Questions (FAQ)

### Why did my unemployment tax rate go up?

The most common reasons include:

- You are no longer a “new employer.” Once you move from the new employer rate to an experience-rated calculation, your rate may change.
- Benefit charges increased. Former employees may have received unemployment benefits that were charged to your account.
- Payroll increased. Higher taxable wages can affect your reserve ratio.
- Trust fund conditions changed. Rates are set annually to ensure the trust fund remains solvent.

A rate increase does not necessarily mean an error – it often reflects a normal transition or account activity.

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### Can I get my reserve balance back if my business closes?

No. The reserve balance is not a refundable account.

Your reserve is used only to calculate your unemployment tax rate while your business is active. If your business closes, any remaining reserve is not returned or paid out.

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### What exactly is the “reserve”?

The reserve is an accounting balance showing the difference between: - What you have paid into the unemployment system, and - What has been charged to your account for benefits. It is used in calculating your unemployment tax rate.

It is not a savings account and cannot be withdrawn.

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### Why do I see CSSF and UPAF listed separately?

State law requires these separate tax assessments to be shown broken down for transparency. However:

- The total combined rate is what you pay
  - Your overall rate would be the same even if these funds were not listed separately
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**Is this notice a bill?**

No. This notice explains your rate only. You will report and pay unemployment taxes when you file quarterly wage reports.

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**What if I use a payroll service?**

You are still responsible for ensuring the correct rate is applied. You must provide this notice or your rate information directly to your payroll provider.

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**Who can I contact with questions?**

An Unemployment Tax Representative can help explain your notice, rate calculation, or eligibility for voluntary contributions.

Employer Services: - Phone: (207) 621-5120 - Email: [division.uctax@maine.gov](mailto:division.uctax@maine.gov)

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