

## INDIANA EMPLOYMENT TEST

(Extracted from Additional Employer Responsibilities  
[www.state.in.us/2119.htm](http://www.state.in.us/2119.htm))

### I-C-1. Unemployment Insurance

Unemployment insurance is a partial, temporary replacement of income to employees who lose their jobs through no fault of their own.

For the purposes of unemployment insurance coverage, employment is generally, any personal service performed for compensation unless excluded by law. A worker is usually an employee unless:

- the worker is not directed or controlled as to how he or she does the job;
- the work performed is unrelated to the business's normal operation; and
- the worker is engaged in an independently established trade, occupation or profession.

As an employer, the business will generally qualify for coverage if: the business has \$1500 or more total gross payroll in a calendar quarter; or it employs one or more worker(s) for 20 weeks or more during a calendar year. If the business has employees in domestic, agricultural or not-for-profit employment or if the business qualifies for FUTA (Federal Unemployment Tax Act) coverage the business may qualify under other provisions of the program. *Contact the Department of Workforce Development at the address listed at the end of this section for more information.*

*Establishing State Employment Insurance Account:* Employers must pay both FUTA (Federal Unemployment Tax Act) and SUTA (State Unemployment Tax Act) taxes. FUTA taxes are paid to the Internal Revenue Service. SUTA taxes are paid by establishing a state employment insurance account (file [A Report to Determine Status Form 2837](#)), and then filing quarterly payments (submit *Form UC-1, Quarterly Contribution Report* and *Form UC-5A, Quarterly Payroll Report*) to the Indiana Department of Workforce Development. For more information on state unemployment coverage you may obtain an [Employer's Desk Guide](#) by contacting the following office:

*Department of Workforce Development (DWD)*  
10 North Senate Avenue  
Indianapolis, Indiana 46204-2277  
317-232-6702 or 800-437-9136  
<http://www.IN.gov/dwd>