

04 NCAC 24D .0702 REQUIREMENTS FOR TRANSFER OF EXPERIENCE

(a) A successor employer shall use the following information when requesting a partial transfer of experience rating:

- (1) the total three-year taxable payroll ending June 30th prior to the last computation date for the transferring employer; and
- (2) the total three-year taxable payroll ending June 30th prior to the last computation date for the transferring employer, relating to the severable portion acquired.

(b) Notwithstanding Paragraph (a) of this Rule, an alternate three-year payroll may be used when the severed or retained unit was not operated by the transferring employer during the three-year period ending June 30th prior to the last computation date.

(c) A successor employer that acquires the experience rating account, either total or partial, shall be liable for accrued benefits and acquire related rights based on the transferring employer's employment prior to the acquisition. Benefit charges to the transferring or successor employer shall be made in accordance with the percentage used to transfer the experience rating account, based on wages paid prior to the transfer.

(d) The requirements of this Section shall apply to transfers mandated by law, and those requiring DES's approval pursuant to G.S. 96-11.7.

(e) DES shall issue a written determination of whether there was a partial or total transfer of an experience rating account when a request for a transfer of experience rating account is made by a successor employer.

(f) A successor employer's completion and submission of an Application for Partial Transfer of Experience Rating Account (Form NCUI 603) for a transfer pursuant to G.S. 96-11.7(b) within two years of the date that part of the organization, trade, or business was transferred, with the information described in Paragraph (a) of this Rule and by any means set forth in 04 NCAC 24A .0104(o) shall satisfy the requirements of this Rule.

(g) The successor employer's completion and submission of Form NCUI 603 for a transfer pursuant to G.S. 96-11.7(c) within 30 days of the mailing date of the written determination that part of the organization, trade, or business was transferred, with the information described in Paragraph (a) of this Rule, and by any means set forth in 04 NCAC 24A .0104(o) shall satisfy the requirements of this Rule.

(h) Form NCUI 603 shall contain:

- (1) the date that part of the organization, trade, or business was transferred;
- (2) the percent of the payroll transferred to the successor;
- (3) the percent of the payroll retained by the predecessor;
- (4) whether the successor employer is related to the predecessor employer;
- (5) the predecessor employer's name and account or federal ID number;
- (6) the name, title, and signature of individual signing the form on behalf of the predecessor employer;
- (7) the date that individual signed the form on behalf of the predecessor employer;
- (8) the successor employer's name and account number;
- (9) the name, title, and signature of individual signing the form on behalf of the successor employer; and
- (10) the date that individual signed the form on behalf of the successor employer.

(i) A successor employer that disagrees with a determination that there was a partial or total transfer of an experience rating account, or with the tax rate set forth in the determination, may file a written protest of the determination and request a hearing.

- (1) The protest shall be filed with DES's Tax Administration Section within 30 days from the date that the determination is mailed pursuant to 04 NCAC 24A .0104(o), as for protests of a Tax Rate Assignment.
- (2) Hearings requested pursuant to this Section shall be conducted as set forth in 04 NCAC 24F .0303.

*History Note: Authority G.S. 96-4; 96-10; 96-11.7;
Eff. July 1, 2015;
Amended Eff. August 1, 2020.*