



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
UNEMPLOYMENT INSURANCE DIVISION
Princess Keelikolani Building, 830 Punchbowl Street, Rm 437, Honolulu, Hawaii 96813

**Instruction Sheet for Form UC-347,
Notification of Acquisitions or Transfers**

Instructions

PURPOSE OF THE LAW

Act 114, was enacted on June 9, 2005 to close loopholes that permitted "SUTA (state unemployment tax act) dumping," also referred to as state unemployment tax avoidance. SUTA dumping is a tax evasion scheme involving the manipulation of an employer's unemployment insurance (UI) tax rate to achieve a lower rate and pay less UI taxes. SUTA dumping provisions are covered in Section 383-66(b) of the Hawaii Revised Statutes. **The provisions of Section 383-66(b) are summarized as follows:**

MANDATORY TRANSFERS

Unemployment experience must be transferred and the rate of both employing units will be recalculated if it is determined that at the time of the acquisition or transfer of an organization, trade, or business (including its workforce), or a portion thereof, there is substantially common ownership, management or control between the employing units.

Examples of mandatory transfers include but are not limited to: changing from a sole proprietorship to a corporation, transferring workforce/payroll to shell corporations, and partial transfers between related companies.

PROHIBITED ACQUISITIONS OR TRANSFERS

Unemployment experience may not be transferred, and a new employer rate will be assigned if it is determined that an acquisition of an organization, trade or business of an existing employing unit was made by a person who is not an employing unit solely or primarily for the purpose of obtaining a lower rate of contribution.

WHO MUST FILE THE NOTIFICATION?

Form UC-347, "Notification of Acquisitions or Transfers" must be filed within 30 days of an acquisition or transfer, if at the time of the acquisition or transfer, (1) there is substantially common ownership, management or control between the employing units or (2) an acquisition or transfer was made between an employing unit and a person who is not an employing unit. "Substantially common ownership" will be determined based upon but not limited to: ownership, familial relationships, principals or corporate officers, organizational structure, day-to-day operations, assets and liabilities, and stated business purposes. All parties involved in the acquisition or transfer must file the form separately.

PENALTIES

Any employing unit who knowingly violated the law will be subject to the highest tax rate for the current and following 3 years. If the employing unit is already at the highest tax rate or if the amount of the rate increase is less than 2%, a penalty equal to contributions of 2% of taxable wages will be imposed for the current and following 3 years. A person who is not an employer who knowingly violates or provides SUTA dumping advice may be subject to a civil penalty for up to \$5,000. In addition, a criminal misdemeanor charge with a fine of up to \$10,000 may be imposed for each false statement or violation of the law and each day may be considered to be a separate offense.

SUBMIT FORM TO YOUR NEAREST UNEMPLOYMENT INSURANCE BRANCH OFFICE

OAHU BRANCH	HAWAII BRANCH	MAUI BRANCH	KAUAI BRANCH
Employer Services Section 830 Punchbowl St. Rm. 437 Honolulu, HI 96813 Ph: 586-8913/586-8914 FAX: (808) 586-8929	1990 Kinoole St, Ste 101 Hilo, HI 96720-5293 Ph: 974-4086 FAX: (808) 974-4085	54 S High St, #201 Wailuku, HI 96793-2198 Ph: 984-8410 FAX: (808) 984-8444	4370 Kukui Grove St., #3-214 Lihue, HI 96766-2001 Ph: 274-3025 FAX: (808) 274-3046

Visit our Website at www.labor.hawaii.gov/ui for ALL interactive and downloadable forms.



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Form UC-347, Notification of Acquisitions or Transfers

In accordance with Section 383-66(b), Hawaii Revised Statutes, the Department of Labor and Industrial Relations is hereby notified of an acquisition or a transfer of an organization, trade or business. (See instructions - "Who Must File The Notification?")

1. Transferring Employer's Name		DOL Account No.
2. Acquiring Employer's Name (If you are not an employer, skip and proceed to item no. 3)		DOL Account No.
3. Acquiring Individual's Name		Social Security No.
4. Provide date of the acquisition or transfer.	5. Was the acquisition or transfer total or partial?	
6. If the acquisition or transfer included part of the workforce, provide percentage _____%		
7. Will the activity of the acquired organization, trade or business be continued?..... <input type="checkbox"/> Yes <input type="checkbox"/> No If No, what will the new activity be?		
8. Will new employees be hired to perform duties unrelated to the business acquisition or transfer?..... <input type="checkbox"/> Yes <input type="checkbox"/> No		
9. Name of person to contact for additional information.		Phone No.
10. Form completed by: check one <input type="checkbox"/> Transferring employer <input type="checkbox"/> Acquiring employer or individual		
CERTIFICATION: I certify that the information provided is correct to the best my knowledge and belief. I am the employer or individual named above or I am authorized to act on the behalf of the employer or individual name above.		
Signature _____		Date _____
Print Name and Title _____		Phone No. _____
For Unemployment Insurance Division Use Only		
<input type="checkbox"/> Mandatory <input type="checkbox"/> Prohibited <input type="checkbox"/> No Action Taken Reviewed by _____ Date _____		
Signature _____		