

STATE OF NEW MEXICO
TAXATION AND REVENUE DEPARTMENT
WORKERS' COMPENSATION FEE INSTRUCTIONS

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EMPLOYER. The workers' compensation fee is paid by employers and workers (employees). The revenue the fee generates is used primarily to fund the operation of the New Mexico Workers' Compensation Administration which regulates, adjudicates, and provides information and advisory services to the workers' compensation system.

The fee is paid to the Taxation and Revenue Department. You must pay the fee quarterly and separately from other taxes. The fee is not the same as the workers' compensation insurance premium. It is not a substitute for a workers' compensation insurance policy. Paying the fee does not mean that the employer has workers' compensation insurance coverage.

Beginning with calendar quarter ending September 30, 2004, the quarterly worker's compensation fee increased from \$4 to \$4.30 per covered worker. The employer's share increased to \$2.30 per covered employee and the \$2 employee portion of the fee is unchanged. For reporting periods ending prior to July 1, 2004, the assessment fee due is \$4. The additional 30 cents supplies funds for the Workers' Compensation Uninsured Employers' Fund. The Workers' Compensation Uninsured Employers' Fund provides medical and indemnity benefits to injured workers whose employers fail to maintain workers' compensation coverage. The fund is maintained by the recovery of costs from uninsured employers and is supplemented by the uninsured employers' fund fee.

WHO MUST PAY. Every employer covered by the New Mexico Workers' Compensation Act, whether by requirement or election, must file and pay the New Mexico Workers' Compensation Fee and file Form WC-1.

Employers covered by requirement are all those having three or more employees, including out-of-state employers having New Mexico employees, with the following exceptions:

- 1) employers engaged in activities required to be licensed under the Construction Industries Licensing Act are covered regardless of the number of employees;
- 2) domestic servants, real estate salespersons and farm and ranch laborers are exempt.

Executive employees of a corporation or a limited liability company who are corporate officers or partners owning ten (10) percent or more of the corporation or company are exempt from the fee only if they have previously waived insurance coverage by filing an executive employee exemption form through their insurance agent. For further clarification, contact the Workers' Compensation Administration. If the corporation or company has no employees other than exempt executive employees, the corporation or company may exempt itself from filing the WC-1.

Employers covered by election are employers in exempt categories who voluntarily provide workers' compensation coverage for their employees.

AMOUNT DUE. For calendar quarter ending September 30, 2004, and all reporting periods thereafter the fee is \$4.30 per quarter for each covered employee employed on the last working day of the calendar quarter. \$2 should be deducted from the wages of the employee, and \$2.30 should be paid by the employer. No fee is due for exempt employees.

For report periods ending before July 1, 2004, the fee is \$4 per quarter for each covered employee whom you employed on the last working day of the calendar quarter. \$2 should be deducted from the wages of the employee, and \$2 should be paid by the employer.

LINE INSTRUCTIONS

Line A. FEIN (federal employer identification number). This is the number assigned to you by the Internal Revenue Service for reporting purposes.

Line B. CRS (Combined Reporting System). This is the identification number assigned to you by the Taxation and Revenue Department for your New Mexico gross receipts, compensating and state withholding taxes.

Line C. EAN (Employer Account Number). Also called *unemployment insurance number*, this is the identification number assigned to you by the New Mexico Department of Workforce Solutions. The EAN is mandatory only for employers who must report to the Department of Workforce Solutions.

REPORT PERIOD. Enter the month, day and year of the first and last day of the calendar quarter for which you are filing this report (for example, if filing for the first quarter of 2007, enter 01-01-07 to 03-31-07).

Line 1. Number of covered workers at close of report period. Enter the number of workers (employees) to whom the Workers' Compensation Fee applies. This is the number of covered employees you employed on the last working day of the calendar quarter. If you have no covered employees, enter zero.

Line 2. Assessment fee. Multiply line 1 by \$4.30; multiply line 1 by \$4 for calendar quarters ending prior to July 1, 2004. If you have no covered employees, enter zero.

Line 3. Penalty. 2% of line 2 for each month or partial month the payment is late, up to a maximum of 20% of the amount due, or a minimum of \$5, whichever is greater. **THE MINIMUM \$5.00 PENALTY IS IMPOSED FOR FAILURE TO FILE A TIMELY REPORT EVEN IF NO TAX IS DUE.**

Line 4. Interest. The daily interest rate for the quarter of line 2 is computed on a daily basis, at the rate established by the U.S. Internal Revenue Code (IRC), of the unpaid amount for each day the payment is late. The formula for calculating daily interest is:

$$\text{Tax Due} \times \text{the Daily Interest Rate for the Quarter} \times \text{Number of Days Late} = \text{Interest Due}$$

Example: Employer's fee due on line 2 is \$1,000. The payment is five days late. To calculate interest owed, multiply \$1,000 by the daily interest rate for the quarter. The result is the amount of interest due for one day. Multiply that amount by five (the number of days the payment is late). The result is the interest due to enter on line 4.

$$\mathbf{\$1,000 \times \text{daily interest rate for the quarter} \times 5 = \text{interest due}}$$

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NOTE: You are not liable for interest if the total interest is less than \$1.00.

Beginning January 1, 2008, interest is computed on a daily basis, at the rate established by the U.S. Internal Revenue Code (IRC). The IRC rate changes quarterly. The IRC rate for each quarter is announced by the Internal Revenue Service in the last month of the previous quarter. The annual and daily interest rates for each quarter will be posted on our website at www.tax.newmexico.gov.

Line 5. Total due. Add lines 2, 3 and 4. Make check or money order payable to New Mexico Taxation and Revenue Department. Indicate "WC-1" and enter your FEIN on your check. WC-1 payments should not be sent with any other payments to the Department.

Signature. The Form WC-1 is not complete until the employer or employer's agent has signed and dated the report. Enter your phone number and E-mail address.

SEND BOTTOM PORTION OF FORM ONLY. The top portion is for your records. Do not send photocopies of a preprinted form. Photocopies will delay the processing of this form.

CORRECTIONS. If you receive a preprinted form and the preprinted information on your form is incorrect, please make changes on Form ACD-31075, *Business Tax Registration Update*.

IF YOUR BUSINESS IS NOT REQUIRED TO FILE THE WC-1. If you are no longer in business or are not required to file, you must

complete a registration update, Form ACD-31075, *Business Tax Registration Update*, to cancel your account. You must reactivate your account with the Department by completing the registration update should you become subject to the Workers' Compensation Act either by requirement or by election. NOTE: To cancel or change an EAN, you must contact the New Mexico Department of Workforce Solutions.

QUESTIONS. Questions regarding the Workers' Compensation Fee should be directed to the Taxation and Revenue Department in Santa Fe, your local district office, or the Workers' Compensation Administration in Albuquerque.

If you have questions about workers' compensation insurance coverage, call the Workers' Compensation Administration at any of the phone numbers listed, and ask to speak with a Compliance Officer. Please note that the Workers' Compensation Administration does not process the assessment fee. The Taxation and Revenue Department processes the filing of Form WC-1 and the fee.

FOR DETAILED INFORMATION. The Workers' Compensation Administration has published **Employer Guidebook** and **Guia Para Empleadores** that provides detailed information about the Workers' Compensation Fee and other matters related to workers' compensation. The guidebook is available online at the Workers' Compensation Administration website, www.workerscomp.state.nm.us. In the right column, click **EMPLOYERS**. Then click **EMPLOYER GUIDEBOOK/GUIA PARA EMPLEADORES**, open the English or Spanish guidebook, and scroll down to the table of contents. Next to **19**, click **Workers' Compensation Fee**.

TAXATION AND REVENUE DEPARTMENT OFFICES

Website address is <http://www.tax.newmexico.gov>

WORKERS' COMPENSATION ADMINISTRATION OFFICES

Website address is: <http://www.workerscomp.state.nm.us>

Albuquerque:
5301 Central NE
P.O. Box 8485
Albuquerque, New Mexico 87198-8485
Telephone: 505-841-6352

Farmington:
3501 E. Main Street
P.O. Box 479
Farmington, New Mexico 87499-0479
Telephone: 505-325-5049

Las Cruces:
2540 El Paseo, Bldg. 2
P.O. Box 607
Las Cruces, New Mexico 88004-0607
Telephone: 575-524-6225

Roswell:
400 North Pennsylvania, Suite 200
P.O. Box 1557
Roswell, New Mexico 88202-1557
Telephone: 575-624-6065

Santa Fe:
Manual Lujan Sr. Bldg.
1200 S. St. Francis Dr.
P.O. Box 2527
Santa Fe, New Mexico 87504-2527
Telephone: 505-827-0951

Albuquerque:
2410 Centre Ave. SE
P.O. Box 27198
Albuquerque, New Mexico 87125
Telephone: 505-841-6000
or 1-800-255-7965

Farmington:
3535 East 30th, Suite 212
Farmington, New Mexico 87402
Telephone: 505-599-9746
or 1-800-568-7310

Las Cruces:
1120 Commerce Drive, Ste. B1
Las Cruces, New Mexico 88011
Telephone: 575-524-6246
or 1-800-870-6826

Las Vegas:
32 NM 65
Las Vegas, New Mexico 87701
Telephone: 505-454-9251
or 1-800-281-7889

Lovington:
100 West Central, Suite A
Lovington, New Mexico 88260
Telephone: 575-396-3437
or 1-800-934-2450

Roswell:
400 North Pennsylvania, Suite 425
Roswell, New Mexico 88201
Telephone: 575-623-3997
or 1-866-311-8587

Santa Fe:
810 West San Mateo, Suite A-2
Santa Fe, NM 87505
Telephone: 505-476-7381