

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.

The quarterly worker's compensation fee is \$4.30 per covered worker. The employer's share is \$2.30 per covered employee and the employee portion of the fee is \$2.00. Thirty 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 those with 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 and real estate salespersons 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: The fee is \$4.30 per quarter for each covered employee employed on the last working day of the calendar quarter. \$2.00 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.

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. NMBTIN (New Mexico Business Tax Identification Number). 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 2017, enter 01-01-17 to 03-31-17).

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. 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. Enter this amount on line 4.

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

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

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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-31015, *Business Tax Registration Application and Update Form*.

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 close your account on the Taxpayer Access Point (TAP) or

complete a registration update, Form ACD-31015, *Business Tax Registration Application and Update Form*, 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, <https://workerscomp.nm.gov/>.

TAXATION AND REVENUE DEPARTMENT Website address is: https://www.tax.newmexico.gov	WORKERS' COMPENSATION ADMINISTRATION OFFICES Website address is: https://www.workerscomp.nm.gov/	
<p>Please mail all returns to:</p> <p>Workers' Compensation Fee P.O. Box 2527 Santa Fe, NM 87504-2527</p> <p>For any questions call our call center: 1-866-285-2996</p> <p>District Tax Offices</p> <p>Albuquerque: 10500 Copper Ave NE Suite C Albuquerque, New Mexico 87123</p> <p>Farmington: 3501 E. Main Street Suite N Farmington, New Mexico 87402</p> <p>Las Cruces: 2540 El Paseo, Bldg. 2 Las Cruces, New Mexico 88001</p> <p>Roswell: 400 North Pennsylvania, Suite 200 Roswell, New Mexico 88202</p> <p>Santa Fe: 1200 S. St. Francis Dr. Santa Fe, New Mexico 87505</p>	<p>Albuquerque: 2410 Centre Ave. SE P.O. Box 27198 Albuquerque, New Mexico 87125 Telephone: 505-841-6000 or 1-800-255-7965</p> <p>Farmington: 2700 Farmington Ave., Bldg. E, Suite. 2 Farmington, New Mexico 87401 Telephone: 505-599-9746 or 1-800-568-7310</p> <p>Hobbs James M. Murray State Bldg. 2120 North Alto - Unit 3 Hobbs, New Mexico 88240 Telephone: 575-397-3425 or 1-800-934-2450</p> <p>Las Cruces: 2407 W. Picacho, Suite D Las Cruces, New Mexico 88007 Telephone: 575-524-6246 or 1-800-870-6826</p>	<p>Las Vegas: 32 NM 65 Las Vegas, New Mexico 87701 Telephone: 505-454-9251 or 1-800-281-7889</p> <p>Roswell: 400 North Pennsylvania, Suite 425 Roswell, New Mexico 88201 Telephone: 575-623-3997 or 1-866-311-8587</p> <p>Santa Fe: Aspen Plaza Building 1596 Pacheco St., Suite. 202 Santa Fe, New Mexico 87505 Telephone: 505-476-7381</p>