

## Instructions for preparing the Employer's Quarterly Payroll Report (VEC FC-21), and the Employer's Quarterly Tax Report (VEC FC-20).

**General Information:** These reports are required of all employers covered under the Virginia Unemployment Compensation Act. They must be submitted (with any appropriate payment) by the due date, even if no wages were paid during the calendar quarter. A \$100 penalty will be assessed for failure to submit these reports to the Commission by the due date.

Instructions:

### FC-21 Payroll Report:

1. Enter the employee's SSN with or without Dashes. You may enter 999-99-9999 if you do not have an SSN for this employee.
2. Enter the employee name. Enter the First Name, Middle Initial and last name in the proper field.
3. Enter total wages, tips and other compensation paid to the employee during the quarter (before deductions). This dollar amount cannot be a negative amount. Hit the "ADD" key.
4. Repeat steps 1, 2 and 3 for each employee wage record.

### For Quarterly Period:

Quarter/Year will be pre-filled based on the information previously entered.

### Employee Counts:

Enter the total number of covered workers (of all types) in your employment subject to the Virginia Unemployment Compensation Act in the pay period, which includes the 12th of each month of the calendar quarter covered by this report. Enter the total number of covered workers as thus computed for each month of the quarter.

### Employer Information:

VEC Account Number, Tax Rate, Employer Name, Mailing Address, City, State and Zip are all pre-populated based on your Employer Account Record. If any of these need correction, select "I need to update my address." to access the "Account Change Notice Information Update" (form FC20C).

### FC-20 Tax Report:

1. **Total Wages.** This is the total of all wages entered on the FC21 Payroll Report. (This field will be computed for you.)
2. **Excess Wages.** Enter the amount of wages paid to individual employees during this quarter which, when considered with other wages paid to the employees by you during the calendar quarter, regardless of the state to which the wages were reported, is in excess of \$8,000. This total may equal but may not exceed the "Total Wages" as reported earlier. **Example:** An individual is employed from January 1st through December 31st, and is paid \$2800 in each of the four calendar quarters, for a total of \$11,200. For the first and second quarters, all wages are taxable and no excess should be deducted. However, in the third quarter \$400 must be entered as excess wages in "Excess Wages" of the third quarter report. In the fourth quarter, the entire earnings of \$2800 must be as excess wages. "Excess Wages" must be computed for each employee and the total entered here.
3. **Wages Subject to Tax.** This is "Total Wages" minus "Excess Wages". (This field will be computed for you.)
4. **Tax Due.** This is the "Wages Subject to Tax" multiplied by the "Tax Rate"
5. **Interest.** If the tax due is paid after the due date, interest is charged at the rate of 1½ percent per month (18% annual rate). Any part of the month is considered as a full month for the purpose of computing interest. Enter this amount.
6. **Penalty.** Reports filed after the due date of the reported quarter are assessed a \$100 late filing penalty. This penalty also applies to state and political subdivision employers. A penalty will not be assessed on reports for quarters in which no wages were paid. Newly covered employers must file all quarterly tax reports by the due date of the reported quarter to avoid the penalty on each report. Interest will accrue even if a penalty is not due. Enter this amount.
7. **Other Dues or Credits.** If you have received a Credit Notice (form T-REF-001) from the Commission, you may enter the credit amount, or a portion thereof, to offset the tax, interest and/or penalty on lines previously

entered. If you discover an error for which an overpayment notice has not been issued, do not deduct this amount on the report being filed. An explanation for this overpayment must be sent to the VEC Auditing Unit with details of the error, and the quarter to which it applies. An credit notice will then be issued and you may then apply this amount to offset any obligation to the next calendar quarter.

If there are amounts due from previous quarters or additional charges (i.e. Returned Check fee, Improper Format Penalty, etc) you may enter those as well.

8. **Total Due.** This is the Total Payment Due based on the amounts previously entered. (This field will be computed for you.)
9. **Select “Calculate”.** Report is verified for errors
10. **Acknowledge the warning. Select “OK”**  
“Your Form FC20 was reviewed and is ready to be filed.

Please review your Form FC20 information, before clicking **Next** to set up your payment. If you need to change any information, click **Make Changes.**”

11. **Review Report for Accuracy.**