

Fax: (608) 327-6158
Email: taxnet@dwd.wisconsin.gov
<https://dwd.wisconsin.gov/uitax>

Corporate Officer Exclusion Worksheet

Personal information you provide may be used for secondary purposes [Privacy Law, s. 15.04 (1)(m) Wisconsin Statutes].

Certain corporations may elect to exclude qualified corporate officers from "employment" under Wisconsin's Unemployment Insurance law. The excluded officer's wages are not subject to state Unemployment Insurance taxes.

A corporation may exclude principal corporate officers effective as of January 1, 2025, if **all four** of the following conditions exist:

- ✓ The corporation had a total UI taxable payroll for 2024 of less than \$500,000.00.
- ✓ An election to exclude eligible corporate officers is filed with this department by March 31, 2025. New and successor employers have until their first quarterly report due date to file the application for exclusion.
- ✓ The election covers all principal officers (president, vice president(s), secretary and treasurer) who have one-fourth or more ownership interest in the corporation.
- ✓ The corporation has not previously elected officer exclusion.

All paid corporate officers' wages are subject to tax under the Federal Unemployment Tax Act (FUTA). It may not be financially advantageous for a corporation to exclude their wages from taxation under Wisconsin's Unemployment Insurance law, because the FUTA tax credit is based on Wisconsin Unemployment Insurance taxes reported and paid.

- The FUTA tax is initially a 6.0% tax on the first \$7,000 paid each employee within a calendar year.
- Employers receive an offset against this 6.0% tax for timely contributions paid under a state Unemployment Insurance law.
- Where sufficient offset credit is available (calculated on other side line 8), the resulting net FUTA tax is 0.6%. If the exclusion is elected, employers may lose some of this offset credit.

Qualifying corporations can complete the worksheet on the reverse side and estimate their total state and federal Unemployment Insurance taxes with and without the exclusion.

Employers who are eligible to elect the corporate officer exclusion for the current year can login at <https://dwd.wisconsin.gov/uitax> for an electronic version of this worksheet and to file an election to exclude principal officers from Wisconsin Unemployment Insurance Tax.

After you file for the exclusion you will receive an Initial Determination from us advising you of the status of your election. Review your account each year to be sure the election is still saving you money.

Submit the election to:

Employer Service Team
P.O. Box 7942
Madison, WI 53707
Fax: (608) 327-6158
Email: taxnet@dwd.wisconsin.gov

If you have questions, call (608) 261-6700.

WORKSHEET - CORPORATE OFFICER EXCLUSION

Instructions: Complete the chart below using estimated 2025 payroll figures to illustrate the effect of excluding corporate officer wages on your total state and federal unemployment costs. This is only one year's payroll and results may vary in subsequent years. You may have other tax concerns to consider when making your decision.

USE PAYROLL FIGURES (estimated 2025)	COLUMN A (without exclusion)	COLUMN B (with exclusion)
1. Payroll Subject to FUTA (include only the first \$7,000.00 of any employee's wages)		*
2. FUTA Tax (6.0% times line 1)		*
3. Maximum FUTA Credit Potentially Available (5.4% times line 1)		*
4. Payroll Subject to Wisconsin Unemployment Insurance Tax (include only first \$14,000.00 of any employee's wages)		
5. Your 2025 Wisconsin Unemployment Tax Rate		
6. Wisconsin Unemployment Tax (line 4 times line 5)		
7. FUTA Credit for "implied" Payment of State UI Taxes (5.4% times line 4)		
8. Total FUTA Credit (higher of line 6 or 7, but not more than line 3)		
9. Net FUTA Tax (line 2 minus line 8)		
10. Total State and FUTA Taxes (line 6 plus line 9)		

* The figures you show in lines 1, 2 and 3 will be the same for both Column A and B since the exclusion of the paid officers' wages is not allowed under the Federal Unemployment Tax Act (FUTA).

ELECTION TO EXCLUDE PRINCIPAL OFFICERS FROM COVERAGE UNDER WISCONSIN'S UNEMPLOYMENT INSURANCE ACT Chapter 108, Wis. Stats.

State of Wisconsin
Department of Workforce Development
Division of Unemployment Insurance
P.O. Box 7942
Madison, WI 53707
Fax: (608) 267-1400

Personal information you provide may be used for secondary purposes [Privacy Law, s. 15.04(1)(m), Wisconsin Statutes].

Pursuant to Section 108.025, Wis.Stats. the following named corporation:

Business Name	WI UI Account Number
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elects, effective as of January 1, , to exclude from coverage under Wisconsin's Unemployment Insurance law all of its principal officers, i.e., president, vice-president(s), secretary, and treasurer, who have a direct or indirect substantial ownership interest in the corporation. By statute a substantial ownership interest is defined as the principal officer having 25% or more of the ownership interest in the corporation or limited liability company (LLC) that is treated as a corporation. Please provide the following information for each principal officer who has a substantial ownership interest:

Principal Officer Name	% Ownership	Title in Corporation or LLC	SSN
Principal Officer Name	% Ownership	Title in Corporation or LLC	SSN
Principal Officer Name	% Ownership	Title in Corporation or LLC	SSN
Principal Officer Name	% Ownership	Title in Corporation or LLC	SSN

There are no employees other than corporate officers at this time.

The undersigned certifies that the corporation's taxable payroll for the calendar year preceding the effective date of this election was less than \$500,000. **It is further certified that the corporate officer signing this election has the authority to act on behalf of the corporation.**

It is expressly understood that this election, when approved by the Department of Workforce Development (department), will remain in effect for subsequent calendar years if the electing corporation's taxable payroll remains at less than \$500,000 for successive calendar years and will remain in effect for every principal officer who retains a one-fourth or more ownership interest in the corporation.

The corporation will receive an Initial Determination advising the status of this election.

Submitted for the Corporation on this Date	Corporate Officer Name
Telephone Number ()	Corporate Officer Signature

* Under Wisconsin's Marital Property Law (Chapter 766, Wis. Stats.), a married individual has a 1/2 ownership interest in each item of marital property, including stock. If you believe Wisconsin's Marital Property Law provides a sufficient ownership interest to qualify a principal officer to be excluded, please review the instructions to this form for further information.

Instructions for Election to Exclude Principal Officers Form (UCT-7937)

Background Information

“Employment” includes an individual’s service for an employer organized as a corporation in which the individual is a principal officer, as defined in Section 108.025, and has a direct or indirect ownership interest, except that if an employer having an annual payroll of less than \$500,000 for the calendar year preceding an election files a notice of election, in that manner prescribed by the department, to exclude the service of all of its principal officers who have a direct or indirect substantial ownership in the corporation, “employment” for state unemployment tax purposes does not include the service of these officers. An employer which files an election under this paragraph may reelect coverage of its principal officers under this subsection by filing a notice of reelection with the department. An employer which reelects coverage of its principal officers is not eligible to file a notice of election of noncoverage under this paragraph. To be effective for a calendar year, an employer shall file a notice of election or reelection no later than March 31 of that year. Newly subject and successor employers have until the due date of their first quarterly report to elect the corporate officer exclusion. An election is effective for each calendar year until the employer files a timely notice of reelection. A principal officer has a direct or indirect substantial ownership interest in a corporation under this paragraph if one-fourth or more of the ownership interest however designated or evidenced, in the corporation is owned or controlled, directly or indirectly, by the officer.

Instructions for Form

The corporate officer completing this form must identify each principal officer who owns or controls 25% or more of the corporation and must include the percentage of the corporation that principal officer owns or controls, along with his or her title in the corporation and social security number.

Except for an employing unit which becomes an employer during a calendar year, the completed and signed form **must be received by the department no later than March 31**.

Wisconsin's Marital Property Law (Chapter 766, Wis. Stats.) provides that a married individual possesses a 1/2 ownership interest in each item of marital property including stock. If you believe Wisconsin's Marital Property Law provides a sufficient ownership interest to qualify a principal officer to be excluded, **YOU SHOULD CONTACT** the department at (608) 261-6700. The department will send an additional form for you to complete so the department may determine if Wisconsin's Marital Property Law qualifies this principal officer for the corporate officer exclusion.

Pursuant to Wis. Stat. s. 108.24(2), any person who knowingly makes a false statement or representation as to any information requested on this application may be fined not less than \$100 nor more than \$500, or imprisoned not more than 90 days or both; and each such false statement or representation constitutes a separate offense.

Privacy Information

Authorization for this form is provided by Wis. Stat. s. 108.025(2). A corporation must complete this form, if it wishes to exclude its principal officers from state unemployment taxes.