



**PARTIAL SUCCESSOR-IN INTEREST RELATIONSHIP
QUALIFICATIONS FOR COVERAGE AND EXPERIENCE RATING
SEGREGABLE UNITS**

The Alabama Unemployment Compensation Law provides that a successor to a segregable part of another employer's business who becomes a subject employer by reason of having acquired such segregable part may, for tax rate purposes, succeed to the experience (benefit wages and payrolls) identifiable with the acquired segregable part.

To become a subject employer effective as of the date of such acquisition, the acquired part must have been such a part that, had it constituted the entire organization, trade or business, it would have been a subject employer. That is, it could have operated alone and has had employment on each of some 20 days, each day being in a different week in, or has paid total wages of \$1,500 or more in any quarter of, either the current or preceding calendar year.

When the employer from whom such part has been acquired has reported for unemployment tax purposes under one combined account for all or any part of the period of time for which experience is to be transferred, this Agency cannot identify from reports the experience to be transferred. For this reason, it is necessary that this Agency be provided with transcripts of wages for employees identifiable with the acquired part, on a quarterly basis, listed by name and Social Security Number **in numeric order**.

Such transcripts must be in **Social Security Number order** and are required for the 15 calendar quarters immediately preceding the date of acquisition (or the entire period of time the acquired part has been in operation if for a shorter period of time). A transcript showing the wages paid by your predecessor during the quarter of acquisition must also be provided. If additional information is required with respect to prior wages, it will be requested on an individual basis.

In listing wages on Form UC-10-D, provided for such information, list only the **taxable wages in Column 3 and total wages for the quarter in Column 4**. Only the taxable wages for the quarter need to be totaled.

Effective January 1, 1983, taxable wage base is \$8,000. Wages paid in excess of this amount within a calendar year are not taxable and should be omitted from Column 3; however, total wages paid in this quarter should be listed in Column 4.

In order for the experience to be transferred to a partial successor account as outlined above, the Employer, by law, must make written application within 90 days of such acquisition; and Wage Transcripts must be furnished within 120 days of such date. **THERE IS NO WAIVER OF THESE TIME REQUIREMENTS.**

Upon request, sufficient forms, UC-10-D, Wage Transcript for Partial Successors, will be furnished for use in preparing quarterly transcripts.