



COMMONWEALTH of VIRGINIA  
Virginia Employment Commission

**Report to Determine Liability Instructions (T-FC-27)**

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**INSTRUCTIONS FOR PREPARING a Report to Determine Liability (T-FC-27)**

Enter your responses in the spaces provided, print, sign, date, and return the completed Report to Determine Liability (T-FC-27) to the Virginia Employment Commission, Employer Accounts, Room 108, PO Box 1358, Richmond VA 23218-1358. Completed forms may also be faxed to (804) 786-5890.

***Why do I need to fill out a Report to Determine Liability (T-FC-27)?***

A Report to Determine Liability (T-FC-27) is required by law to be filled out if you have or had employees. Under Federal Law Section 6103-D of the Internal Revenue Code, the VEC obtains information from the IRS. Such information may be disseminated to other governmental agencies and the Virginia Department of Taxation under § 2.1-377 of the Code of Virginia. If you do not agree with your liability determination, § 60.2-500 of the Virginia Unemployment Compensation Act allows you to submit a written request for a hearing.

***Who is an employee?***

An employee is someone who performs a service for remuneration under any contract of hire written, oral, expressed, or implied. An individual proprietor of a proprietorship is not an employee. Partners of a partnership are not employees. Officers of a corporation are employees if they perform a service and expect to be paid.

***What are wages?***

All remuneration payable for personal service, including commissions, tips, bonuses, and the cash value of all remuneration payable in any medium other than cash. Please keep in mind the cash value of remuneration can mean board, lodging, or any other payment in kind considered as a payment for services performed by a worker.

***How am I liable?***

You are liable (subject to unemployment tax) if you have met one of the following if you:

- Employ one or more employees (ten employees if your operation/business is agricultural) for some portion of a day during any 20 different weeks in a calendar year
- Have at least \$1,500 of total gross quarterly payroll (at least \$20,000 if your business is agricultural, \$1,000 if domestic labor)
- Acquired a business subject to this tax
- Have been subject to the Federal Unemployment Tax
- Are a governmental operation or political subdivision
- Are a non-profit organization under § 501 (c) (3) of the Internal Revenue Code, and had four or more employees for some portion of a day during 20 different weeks in a calendar year

The law requires you to contact the VEC anytime one of the above mentioned items is met. **Churches and other religious organizations are exempt for unemployment tax purposes.**

(More information continued on the back of this sheet)

## Report to Determine Liability Instructions (T-FC-27)

### Continued

#### ***What is a General Employer?***

Any employer who operates any kind of business is a general employer. Do not include agricultural or domestic employees in answering this question.

#### ***What is an Agricultural Employer?***

Any employer who operates or conducts business on a farm, in connection with cultivating the soil, or raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur bearing animals and wildlife.

#### ***How do I know if I am a Domestic Employer?***

If you hire someone to perform domestic (household) services, you are a domestic employer. Examples include hiring private household cooks, laundresses, aids, sitters, butlers, personal secretaries, managers of personal affairs, nurse's aides, companions, porters, gardeners, caretakers, chauffeurs, and other maintenance workers.

#### ***What should I write in the "describe in detail main business activity in Virginia" section?***

You should be specific as to the nature of your business (daily operations, type of goods/services rendered, types of customers). If more space is needed, you may attach a separate sheet of paper. If you have domestic labor only, please indicate.

#### ***I need more information!***

Go online to [www.vec.virginia.gov](http://www.vec.virginia.gov) to learn more about Virginia unemployment insurance.