

SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
REEMPLOYMENT ASSISTANCE TAX DIVISION

P.O. Box 4730, Aberdeen, SD 57402
Tel: 605.626.23122 Fax: 605.626.3347 dlr.sd.gov/ra/businesses

Application For Common Paymaster

A common paymaster is any member of a group of related corporations/limited liability companies (LLC) treated as corporations for federal income tax purposes that disburses wages to concurrent employees on behalf of the group.

To qualify as a group for reporting under a common paymaster:

- All entities must be corporations/LLCs
- All corporations/ LLCs must be employers
- All corporations/LLCs must be related
- There must be concurrent employment between the proposed common paymaster and all the related corporations/ LLCs

Note: An agreement between corporations/LLCs where one corporation/LLC agrees to consolidate the payroll of the group for reemployment tax (formerly unemployment insurance tax) purposes, does not qualify the group for common paymaster. That is considered payrolling and is not allowed in South Dakota.

Concurrent employment is defined as the existence of simultaneous employment relationships between an individual and related corporation. Attach a copy of the Employer’s Quarter Report (Form 21 and Form 21A), most recently filed, for each company/LLC, showing wages for all concurrent employees. If concurrent employment recently began, and wages were not included on prior report, you must also complete and attach an Affidavit of Concurrent Employment (FORM #XXX).

Enter information for the corporation/LLC wishing to become the common paymaster for the group:

Legal Name: _____

Mailing Address (City, State, Zip): _____

Payroll records are maintained at: _____

Telephone Number: _____

FEIN: _____

SD RA Tax Account Number: _____

Corporations/LLC shall be considered related for an entire quarter if they satisfy any one of the following four test at any time during the quarter. Additional information may be required to support your selection. Please check one of the following:

- The corporations/ LLCs are members of a “controlled group of corporations” as defined in s.1563 of the Internal Revenue code of 1986 or would be members if paragraphs 1563(a)(4) and subsection 1563 (b) did not apply.

- Fifty percent or more of the officers of one corporation/LLC are also officers of the other corporation/LLC(s)
- If a corporation/LLC does not issue stock and;
 - 50 percent or more of the members of the board of directors or other governing body of one corporation/LLC are members of the board of directors or other governing body of the other corporation/LLC(s) or;
 - The holders of 50 percent or more of the voting power to select such members are also the holders of at least 50 percent of that power, with respect to the other corporations(s)/LLC(s)
- Thirty percent or more of the employees of one corporation/LLC are concurrent employees of the other corporation/LLC

Complete the following for related corporations/LLCs

If the related corporation/LLC has not been assigned a reemployment assistance tax account number, you must register each corporation/LLC not registered. To register online go to dlr.sd.gov/ra/businesses/default.aspx

| RA Tax Account Number | Legal name of corporation or LLC: |
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Note:

- The common paymaster status must be approved by the Department before you begin reporting as a common paymaster
- Once approved the effective date of the common paymaster status begins the first day of the quarter, following the date of the department’s approval letter.
- Common paymaster status cannot be made effective retroactively
- Common paymaster status cannot be approved retroactively
- All members of the group will be responsible for filing their own Employers Quarterly Reports for the quarter prior to the effective date
- Reporting as a common paymaster limits the amount of wages subject to reemployment tax to the current year taxable wage base of the combined wages for concurrent employees. Quarterly reports still need to be filed for each corporation/LLC to report any non-concurrent employees.
- Each corporation/LLC must reimburse the common paymaster for the wages and payroll taxes paid on the corporation/LLC’s behalf. Each corporation/LLC must also record and expense the wages and payroll tax expenses on its own financial statement for federal income tax purposes.

Being authorized to execute this application on behalf of the corporations/LLCs named, I confirm that the information provided is true and correct.

Signature: _____ Print Name: _____

Date: _____ Official Position: _____

Return address: South Dakota Department of Labor and Regulation, PO Box, 4730, Aberdeen, SD 57402
 For assistance call: 605-262-2312