



**my IowaUI**

# Electronic Funds Transfer Guide

## ACH Credit Method

5/08/2015

Instructions and specifications for use of ACH Credit in myIowaUI

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## INTRODUCTION

Iowa Workforce Development (IWD) now accepts Unemployment Insurance (UI) tax payments through electronic funds transfer (EFT).

The Unemployment Insurance EFT program provides a guide with specific instructions and an application on the following: (an Adobe Acrobat formatted guide is available at [www.myiowauui.org](http://www.myiowauui.org)):

- contents (include participation guidelines)
- registration information
- payment method
- tax form filing requirements
- standard file and record formats
- an application form.

## REGISTRATION

To register for the EFT program, complete the Application for ACH Credit Transfer online or mail your completed form to:

Iowa Workforce Development  
Attn: EFT Coordinator, Unemployment Insurance Tax Bureau  
1000 E Grand Ave  
Des Moines IA 50319-0209

IWD staff will review the application and send a notice confirming registration. The confirmation notice will contain information needed to format the ACH Credit transaction and the unique bank account number to which the payment will be credited. If more information is needed, please call the mylowaUI Customer Service Team at 888-848-7442.

## PAYMENT METHOD-AUTOMATED CLEARING HOUSE (ACH) CREDIT

A credit is initiated through your financial institution to IWD's bank account for the tax payment. Supplemental filing information is sent with the fund transfer using the standard CCD+ format. The CCD+ record layout and explanation of data is provided on the following pages.

If you wish to pursue this option, contact your bank to determine what ACH origination services they offer and the costs. All ACH transaction costs are charged to you.

When the application is returned for ACH Credit Transfer, IWD will provide you with depositing bank information. IWD does not use the same account information for ACH Credit payments as the Iowa Department of Revenue.

*Note: Iowa Workforce Development is not responsible for instruction on the usage and reliability of the products and services of financial institutions or other companies, or for fees charged by financial institutions, service providers and others.*

## PRE-NOTE TRANSACTION

IWD strongly recommends that taxpayers make an error-free pre-notification (pre-note) transaction before beginning the electronic transmission of funds to Iowa Workforce Development. A pre-note transaction is a zero-dollar payment in a CCD+ format. CCD+ originators will be notified if errors are found in pre-note transaction(s).

If you do a pre-note it must be done at least 10 calendar days before the first live EFT payment.

For questions about sending a zero-dollar test transaction, call Iowa Workforce Development's mylowaUI Customer Service Team at 888-848-7442.

*Note: taxpayers and service providers are responsible for ensuring that their financial institution can support the ACH Credit method for payments to Iowa Workforce Development and that the ACH payment is in the correct format.*

## STANDARD PROCEDURES

Payment due dates will remain the same. To be considered timely, the payments must be received by Iowa Workforce Development's bank no later than the payment due date of the tax period. To ensure the timely receipt of your payment, contact your financial institution to determine when payment should begin. Do not send a transaction through the ACH network, if there is nothing due; ACH is only for tax amounts due.

## DUE DATES

If a payment due date falls on a legal holiday or weekend, the tax payment must be received on the first business day after the holiday or weekend. Timely payments are based on the settlement date (the date on which the tax has been credited). Financial institution holidays in other states may vary; make sure to check with your financial institution.

## PAYMENTS MADE IN ERROR

If you feel that an EFT payment was made in error, contact IWD's EFT Coordinator at 888-848-7442. **Do not attempt to reverse your transaction.**

IWD may return a payment with an incorrect addenda format. A returned payment may result in the payment being late and could incur an interest /penalty charge.

## VERIFICATION OF PAYMENT

Your financial institution should provide verification of transferred amounts and effective dates. Iowa Workforce Development will not verify receipt of routine EFT payments but will assist in resolving payment discrepancies. If proof of payment is required, work with your financial institution to obtain verification of transferred funds. Your bank can supply you with a trace number that is generated for the ACH network. Duplicate payments and overpayments, made to a valid tax account, will be posted to the taxpayer's account. Erroneous payments are handled on a case-by-case basis. ACH reversals are not allowed. Overpayments are handled as a credit and may be refunded at the submitters' request.

## FILING YOUR EMPLOYER CONTRIBUTION AND PAYROLL REPORTS

When paying your taxes by EFT, the Employer's Quarterly Contribution and Payroll Reports must be submitted electronically using mylowaUI online system or Secure File Transfer.

## ACH CREDIT DETAIL

For taxpayers choosing the ACH Credit method of payment, the free format data area of the addendum record must be structured according to the Tax Payment (TXP) layout. The TXP conventions must be followed exactly for proper posting of payment. Please contact your financial institution if you need assistance.

NACHA records for CCD+ entries must appear in the following sequence:

- File Header Record
- Company/Batch Header Record
- Entry Detail Record
- Addenda Record (Carries an 80 character free form field)
- Company/Batch Control Record
- File Control Record

To create an ACH file, the Entry Detail Record must include:

- The State's depository bank, ABA (American Bank Association) Routing Transit Number in the Receiving Bank Number and Check Digit positions. Bank routing number will be provided in the registration confirmation.
- The Unemployment Insurance EFT ACH Credit Bank Account number (each employer will be assigned a unique 17 digit account number). UI bank account number will be provided in the registration confirmation.

The following sections contain information on how to use the TXP Conventions within the NACHA Addenda Record. For more information on NACHA formats, specifications, and definitions refer to the NACHA Operating Rules at website: [www.achrulesonline.org/](http://www.achrulesonline.org/) or call NACHA (703-561-1100) or your financial institution.

## SAMPLE ADDENDA RECORD:

TXP\*12345678\*13000\*090331\*T\*249300\*\*\*\*\*123456789\

This represents an addenda record for ABC Corporation with unemployment insurance ID #12345678 for unemployment insurance tax type (13000) to be filed for the tax period ending March 31, 2009 paying \$2,493.00, Federal Employers Identification Number 12 3456789 .

### TABLE 1 - TXP Conventions for the Addenda Record for ACH Credits

Field #	Field Name (Data Elements & Separators)	Field Requirements	Data Element Type	Min/Max Use	Contents
	Segment Identifier				TXP
	Separator				*
TXP01	Iowa Unemployment Insurance Account number	M	AN	8/8	XXXXXXXXXX
	Separator				*
TXP02	Tax Type Code	M	ID	5/5	XXXXX
	Separator				*
TXP03	Tax Period End Date	M	DT	6/6	YYMMDD
	Separator				*
TXP04	Amount Type	M	ID	1/1	T
	Separator				*
TXP05	Amount	M	N2	3/10	\$\$\$\$\$\$\$\$¢¢
	Separator				*
TXP06	Amount Type	O	ID	1/1	Not Used
	Separator				
TXP07	Amount	C	N2	3/10	Not Used
	Separator				*
TXP08	Amount Type	O	ID	1/1	Not Used
	Separator				*
TXP09	Amount	C	N2	3/10	Not Used
	Separator				*
TXP10	Taxpayer Verification	M	AN	9/9	XXXXXXXXXX
	Terminator				\

### TABLE 2 - Definitions of TXP Conventions - Data Elements and Separators

<b>Segment Identifier</b>	Identifies the transfer as a tax payment. It must always be coded as TXP.
<b>Iowa Unemployment Insurance Account Number</b>	Iowa Unemployment Insurance Account Number
<b>Tax Type Code</b>	This field is always 5 characters in length. The Unemployment Insurance Tax Type Code is <b>13000</b>
<b>Tax Period End Date</b>	This date should be reported as the last day of the quarter being paid. <b>It is not the due date.</b>
<b>Amount Type</b>	Indicates the type of payment. <b>T = Tax</b>
<b>Amount</b>	This is the total amount paid. This is a variable length field (right justify). This field must always include cents and have a <b>minimum of 3 digits</b> .
<b>Separator</b>	The separator is used to separate fields within a segment. The character to be used is the asterisk.
<b>Taxpayer Verification</b>	Business Federal Identification Number
<b>Terminator</b>	The segment terminator identifies the end of the free form portion of the addenda record and must always be a back slash.

### TABLE 3 - Definitions of TXP Conventions - Field Requirements

<b>M – Mandatory</b>	This field must appear in the TXP convention.
<b>C – Conditional</b>	The presence of this field is dependent on the value or presence of other fields in the convention.
<b>O – Optional</b>	The appearance of this field is the option of the sending party.

**TABLE 4 - Definitions of TXP Conventions - Data Element Types**

<b>AN (Alpha-Numeric)</b>	A sequence of letters, digits, spaces, and/or special characters. The contents shall be left justified. Trailing spaces should be suppressed.
<b>DT (Date)</b>	Format for the Date Type is YYMMDD. YY is the last two digits of the year (00-99), MM is the numeric value of the month (01-12), and DD is the numeric value of the day (01-31).
<b>ID (Identifier)</b>	An identifier shall always contain a value from a predefined list of values (T = Tax). N indicates numeric and 2 indicates the decimal places to the right of a fixed, implied decimal point. The decimal point is not transmitted. It is intended that this number will always be positive for the TXP application. In the TXP convention the amount fields are defined as N2 type data elements. Thus, \$1200.00 would appear as *120000*. The minimum number of digits for this data element is 3, so \$0.01 would appear as *001*.
<b>N2 (Numeric)</b>	

**TABLE 5A - Tax Type Information Table**

Tax Type	Tax Type Code	ABA/Routing No.	IWD-UI Bank Account
Unemployment Insurance	13000	Provided in ACH Credit registration confirmation	Provided in ACH Credit registration confirmation

**Table 5B - Tax Period and Filing Requirements**

Tax Type	Tax Period End Date	Taxpayer ID Number	No Tax Due	Other Info.
Unemployment Insurance	The last day of the quarter. <b>Example:</b> March 31, 2009 would be 033109	8 digit Unemployment Insurance Number	No EFT required.	When paying your taxes by EFT you must continue to file your quarterly unemployment tax report. You may file your report electronically using mylowaUI online system or Secure File Transfer. If you file electronically <b>do not</b> send in a duplicate paper report. When paying by EFT and filing a paper report, mail your report to the address provided on the report instructions.

**FOR MORE INFORMATION**

<b>Mailing Address</b>	Iowa Workforce Development Attn: EFT Coordinator, Unemployment Insurance Tax Bureau 1000 E Grand Ave Des Moines IA 50319-0209
<b>Telephone</b>	888-848-7442
<b>E-Mail</b>	iwduitax@iwd.iowa.gov

Iowa Workforce Development  
Equal Opportunity Employer/Program  
Auxiliary aids and services are available upon request to individuals with disabilities.  
For deaf and hard of hearing, use Relay 711.