

Case Study

Client Profile

The client is a dairy producer with operations in 40 states.

Challenge

To implement a large internal legal entity reorganization plan and ensure compliance with all employment tax requirements.

Solution

TALX Employment Tax Services assisted with a smooth transition, processing and filing all necessary paperwork on the client's behalf.

Results

The internal reorganization was effectuated from an employment tax perspective timely and efficiently.

Client: Large Corporation Specializing in Dairy Products

Client

The client is a large multi-national corporation specializing in dairy products. They have over 25,000 employees and operations in 40 states.

Challenge

The client was planning a large internal reorganization, whereby numerous legal entities (including assets and employees) would be consolidated into two total entities. The reorganization was expected to take place on January 1st and the consolidation would affect business operations in approximately 40 states. Additionally, the client uses a third-party payroll provider for all employment tax filings and deposits.

The client understood that there would be significant employment tax compliance requirements associated with the reorganization. Due to the passage of SUTA Dumping legislation and the associated mandatory notification and transfer requirements for state unemployment purposes, compliance had become more complex and time-sensitive. With these stricter requirements, the client had greater exposure to employment tax risk associated with not (or only partially) complying with mandated reporting requirements.

Without the necessary personnel or experience to handle these requirements internally, the client was seeking a service provider to assist them with the stringent payroll tax compliance associated with the anticipated reorganization.

Solution

The client attended a TALX Employment Tax Services Webcast which discussed the employment tax requirements for mergers, acquisitions, and reorganizations. Through the Webcast, the client began to understand the complexity of the issues involved with the reorganization and the expertise offered by TALX to assist clients with these transactions. After a few discussions with the TALX Employment Tax Services Team regarding the client's specific facts and associated compliance requirements, they chose to partner with TALX to ensure all employment tax aspects of the reorganization were properly addressed.

During the initial planning meeting, TALX and the client collaborated to develop a comprehensive work plan which detailed every item that needed to be accomplished from an employment tax perspective to effectuate the internal reorganization. During this meeting, deadlines were assigned to key items, taking into account statutory requirements, internal client needs and the third-party payroll provider's prerequisites based on the January 1st implementation date.

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Solution continued...

The specific employment tax services performed included:

- Reviewing state requirements for transfers of experience
- Coordinating all communications and correspondence with the client's third-party payroll provider
- Preparing state employment tax registrations (SIT, LIT and SUI)
- Compliance paperwork to request transfers of SUI tax experience
- Closures of all predecessors' state and local employment tax accounts
- Providing summary charts of all employment tax accounts established with periodic updates
- Designating TALX as point-of-contact for all questions from workforce agencies related to the filings
- Monitoring compliance filings and responding to ensure expected outcomes were achieved
- Verifying state acknowledgements for accuracy and confirming transfers of experience in rate calculations
- Protesting incorrect SUI rate assignments, as required

Results

Choosing TALX as its partner in addressing the employment tax issues associated with the client's reorganization plan ensured that all current regulatory requirements were properly addressed in a timely manner. TALX assisted in both providing expertise and additional resources to deal with a situation which was outside of the client's normal business activities. Rather than try to handle these issues internally, TALX assisted the client in navigating the complex regulatory terrain and ensured that all employment tax aspects of the reorganization were handled appropriately and efficiently allowing the client's personnel to focus on their daily responsibilities.

To learn more about how TALX can help your organization, contact us at **1-800-888-8277** or **moreinfo@talx.com**.