

Account Number \_\_\_\_\_

Employer \_\_\_\_\_

## APPLICATION FOR TERMINATION OF COVERAGE

### SECTION 1: GENERAL INFORMATION

1. **NOTICE:** Termination of an employer's coverage voids all previous compensation experience for the purpose of determining experience tax rates.
2. SECTION 206.004 of the TEXAS UNEMPLOYMENT COMPENSATION ACT
  - a. An employing unit may cease to be an employer only on January 1 of a year and only if the Commission finds that:
    - 1) the employing unit was not an employer during the preceding year; or
    - 2) the employing unit has not had any individuals in employment during the preceding three calendar years.
  - b. The Commission may not make a finding under Section (a)(1) unless the employing unit files an application for termination of coverage with the Commission **on or after January 1 but before April 1 of the year for which termination is requested**. The Commission may make a finding under Subsection (a)(2) without an application having been filed.
3. SECTION 206.005 of the TEXAS UNEMPLOYMENT COMPENSATION ACT  
When an employing unit that ceased to be an employer subsequently becomes an employer, the employing unit is considered to be a new employer without regard to the rights that employing unit acquired when previously an employer.

### SECTION 2: DOMESTIC EMPLOYMENT

1. Enter the amount of cash wages paid for DOMESTIC employment during each calendar quarter of the year preceding January 1 of the termination year.  
  
Jan-Mar \$ \_\_\_\_\_;      Apr-June \$ \_\_\_\_\_;      July-Sept \$ \_\_\_\_\_;      Oct-Dec \$ \_\_\_\_\_

### SECTION 3: FARM AND RANCH EMPLOYMENT

1. Enter the amount of wages paid for FARM AND RANCH employment during each calendar quarter of the year preceding January 1 of the termination year:  
  
Jan-Mar \$ \_\_\_\_\_;      Apr-June \$ \_\_\_\_\_;      July-Sept \$ \_\_\_\_\_;      Oct-Dec \$ \_\_\_\_\_
2. During the preceding year, did you employ at least three persons in Texas performing farm or ranch labor during twenty (20) or more calendar weeks?      YES       NO   
  
If yes, enter the ending date of the twentieth week: \_\_\_\_\_
3. During the preceding calendar year, did you:
  - a. Employ seasonal workers in Texas on a truck farm, orchard or vineyard?      YES       NO
  - b. Employ migrant workers in Texas?      YES       NO
  - c. Employ seasonal workers in Texas working with migrant workers, at the same place and time during the same week?      YES       NO

## SECTION 4: REGULAR EMPLOYMENT

1. Does your organization have a 501(c)(3) non-profit exemption from the Internal Revenue Service?

YES  NO

If yes, did you have at least four or more individuals in employment for a portion of at least one day during twenty (20) or more different calendar weeks during the preceding year?

YES  NO

If yes, enter the ending date of the twentieth week: \_\_\_\_\_

2. Enter the amount of wages paid during each calendar quarter of the year preceding January 1 of the termination year: **(Do not include Farm & Ranch or Domestic Employment)**

Jan-Mar \$ \_\_\_\_\_; Apr-June \$ \_\_\_\_\_; July-Sept \$ \_\_\_\_\_; Oct-Dec \$ \_\_\_\_\_

3. During the preceding year did you have at least one individual in employment for a portion of at least one day during twenty (20) or more different calendar weeks?

YES  NO

If yes, enter the ending date of the twentieth week: \_\_\_\_\_

As of January 1, \_\_\_\_\_ (enter year), the undersigned employer hereby makes application for termination of coverage in accordance with the provisions of Section 206.004 of the Texas Unemployment Compensation Act, Labor Code.

If the undersigned employer's liability under the Texas Unemployment Compensation Act, Labor Code is terminated by approval of this application, this employer will lose all of their compensation experience; and if this employing unit again qualifies as a subject employer, the tax rate will be determined without regard to their compensation experience for periods prior to the effective date of termination coverage based on this application.

The filing of this application or its approval does not relieve the applicant employer of his responsibility for filing all reports required by the Commission nor does it relieve the employer of liability for payment of all taxes, penalty and interest due for periods prior to the first day of the year with respect to which termination coverage is sought.

\_\_\_\_\_  
**Business Name of Applicant Employer**

This application must be signed by the owner, a partner, or corporate officer, or by a person whose signature is authorized in accordance with Texas Workforce Commission Rules.

\_\_\_\_\_  
**Signed by**

\_\_\_\_\_  
**Owner, Partner or Officer**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Date**

**FOR TWC USE ONLY**

(\_\_\_\_\_) **APPROVED;** (\_\_\_\_\_) **DENIED**

**BY:** \_\_\_\_\_  
**Texas Workforce Commission**

**DATE:** \_\_\_\_\_

Individuals may receive, review and correct information that TWC collects about the individual by emailing to [open.records@twc.state.tx.us](mailto:open.records@twc.state.tx.us) or writing to TWC Open Records, 101 E. 15<sup>th</sup> St., Rm. 266, Austin, TX 78778-0001.