The Virgin Islands Consortium

Dept. of Labor Prepares Employers for New Unemployment Insurance Tax Rates in 2024

Following a series of informational events, VIDOL gears up for the January rollout of the new unemployment insurance tax system

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The V.I. Dept. of Labor has implemented a new unemployment insurance payroll variation tax system starting January 1, 2024. Commissioner of Labor Gary Molloy has issued a reminder to all employers in the territory of the impending tax structure changes, following a series of Town Hall events held from February to November 2023, which aimed to familiarize employers with the upcoming methodology.

Mr. Molloy stated that DOL has been proactive in preparing for the transition to the new system and assured employers that they can expect a comprehensive tax rate assessment to be carried out in line with Title 24, Chapter 12, Section 308.

Unemployment Insurance Director Gary Halyard specified that beginning with the first quarter of 2024, which covers January 1 to March 31, employers are obligated to remit their taxes by April 30, 2024, to avoid incurring penalties and interest on their liabilities. The updated tax framework is composed of three key elements that will determine employers' rates: the Base Contribution Rate, the Solvency Rate, and the Tax Rate Factor, also known as the experience rate.

According to the statutory guidelines, the commissioner of Labor is required to reveal the Total Contribution Rate for all Virgin Islands employers by January 31, 2024. Moreover, individual experience rates will be communicated to employers through detailed notifications sent via mail and email.

Employers seeking additional information or assistance regarding the new tax changes are encouraged to reach out to the Unemployment Insurance Division Tax Unit at (340) 773.1994 on St. Croix or (340) 776.3700 on St. Thomas.