**Tennessee State Payroll Taxes**

**TN State Income Tax Withholding**

Tennessee does not require state income tax withholding.

**TN State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. All state and local government employers are liable under the Tennessee Employment Security Law.

Download an application form from the TN Dept of Labor & Workforce Development website: <https://www.tn.gov/workforce/employers/tax-and-insurance-redirect/unemployment-insurance-tax.html> to apply for an Employer Account Number for unemployment insurance purposes. The completed application may be emailed to EmployerStatus.Rates@tn.gov, which is the preferred method. It can also be mailed or faxed to the Employer Services Unit; information for these methods is provided at the top of the application.

Your Employer Account Number will be mailed to the address provided on the form. For inquiries about the status of your Employer Account Number, please email EmployerStatus.Rates@tn.gov.

Governmental employers have the option of electing to become reimbursing employers rather than premium-paying employers. Reimbursing employers are essentially self-insuring. They are required to reimburse the Department dollar for dollar for their proportionate share of benefits paid to a former employee, regardless of the reason for the separation of the former employee.

Reimbursing employers must report wages paid to their employees on the quarterly Wage and Premium Report. On the Premium Report, reimbursing employers report their Total Number of Workers as of the 12th of Each Month of the Quarter in the center of the report and report their Total Wages on line 1. Reimbursing employers do not report Excess Wages, Taxable Wages, or Premiums Due.

File UI quarterly reports electronically using TN Premium and Wage Reporting System (TNPAWS): <https://tnpaws.tn.gov/Forms/Welcome.aspx>. Every covered employer must file a Wage Report and Premium Report each calendar quarter. If an employer’s business temporarily closed and/or if the employer did not pay any wages during the calendar quarter, the employer still must file the report for that calendar quarter.

Tennessee has adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**TN State Workers’ Compensation**

Every employer that has five or more employeesmust secure workers’ compensation insurance coverage for their employees either by purchasing a policy from an insurance carrier or by qualifying as a self-insured employer with the TN Department of Commerce and Insurance.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard kimberly.haggard@des.wa.gov at DES Risk Management.

**TN State Paid Family / Medical Leave**

Tennessee does not have a paid family and medical leave program as of 02/15/2024.

**Helpful resources for Tennessee**

TN Department of Labor and Workforce Development website: <https://www.tn.gov/workforce/employers/tax-and-insurance.html>

TN Department of Labor and Workforce Development Division of Employment Security Handbook for Employers: <https://www.tn.gov/workforce/employers/tax-and-insurance-redirect/employer-handbook.html>

Employer Services telephone: 844-224-5818

TN Department of Labor & Workforce Development Employer FAQs: <https://lwdsupport.tn.gov/hc/en-us/categories/200202370-Employers>

TN Workers Compensation Insurance Information: <https://www.tn.gov/commerce/insurance/consumer-resources/workers-compensation-insurance-information.html>