



Ohio Administrative Code

Rule 4141-17-03 Voluntary successorship: substantially all of the assets.

Effective: March 28, 2019

(A) The transfer of substantially all of a trade or business will result in the transferee becoming a successor in interest if all of the following requirements are satisfied:

(1) Seventy-five per cent or more of the assets of the transferor's trade or business located in the state of Ohio are transferred to the transferee;

(2) Immediately after the acquisition, the transferee employs seventy-five per cent or more of the same individuals covered under the Ohio unemployment compensation law who immediately prior to the transfer were employed in such business; and

(3) An application signed by the transferor and the transferee requesting that the transferee be made a successor in interest is submitted to the director. The application, containing all the information required in paragraph (B) of this rule, shall be filed with the director within ninety days from the date the director sends notice to the transferee that the request may qualify for a transfer of experience. Failure to submit the application within the prescribed time limits shall result in the automatic denial of the application. Under this type of transfer, the successor in interest shall assume all of the resources and liabilities of the transferor's account, including the transferor's entire unemployment experience. The director shall revise the contribution rates of the transferor and the transferee to reflect the results of the successorship.

(B) In order for the director to determine whether substantially all of the assets of the transferor's business are transferred to the transferee and whether, immediately after the acquisition, the transferee employed substantially the same individuals covered under the Ohio unemployment compensation law who immediately prior to the transfer were employed in such trade or business, the application referred to in paragraph (A) of this rule shall provide:

(1) The number of individuals covered under the Ohio unemployment compensation law employed by the transferor at the time of the transfer and the number of individuals covered under the Ohio



unemployment compensation law employed by the transferee immediately after the acquisition; and

(2) A statement signed by the transferor and transferee that provides:

(a) The monetary value of the total assets of the transferor located in the state of Ohio at the time of the acquisition, including the valuation of real property and personal property consistent with the employer's most recent valuation for federal tax purposes, and intangible property including the value of patents, trademarks and goodwill; and

(b) The monetary value of assets that were transferred at the time of the acquisition as valued in paragraph (B)(2)(a) of this rule.

(C) The application referred to in paragraph (A) of this rule shall be signed by a duly authorized representative of both the transferor and the transferee.

(D) The transfer of experience will not be approved unless all of the contributions, interest and forfeitures due to the department by both the transferor and the transferee are paid in full no later than a date set by the director.

(E) The director shall not approve a transfer of experience or contribution rates of the transferee or transferor under this rule for any contribution period with respect to which the director has determined contribution rates for the transferee or transferor pursuant to division (G) of section 4141.24 or section 4141.48 of the Revised Code.