

**VOLUNTARY SUCCESSORSHIP: TRANSFER OF SUBSTANTIALLY ALL
OHIO REVISED CODE, SECTION 4141.24(F)
OHIO ADMINISTRATIVE CODE, RULE 4141-17-03**

4141.24

(F) If an employer transfers all of its trade or business to another employer or person, the acquiring employer or person shall be the successor in interest to the transferring employer and shall assume the resources and liabilities of such transferring employer's account, and continue the payment of all contributions, or payments in lieu of contributions, due under this chapter.

If an employer or person acquires substantially all or a clearly segregable and identifiable portion of an employer's trade or business, then upon the director's approval of a properly completed application for successorship, the employer or person acquiring the trade or business, or portion thereof, shall be the successor in interest. The director by rule may prescribe procedures for effecting transfers of experience as provided for in this section.

4141-17-03 Voluntary successorship: substantially all.

(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 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 laws 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 the 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 employment 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 transferor's trade or 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 must 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 trade or business 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 must 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.