COVID-19 UPDATE
6/4/2020

Unemployment Compensation Updates
For Today's Session

- Webinar will be recorded
- All Attendees will be placed on mute
- Questions may be put into the Questions Box within the GOTOWEBINAR
- Survey will be sent after the webinar
Our Presenters

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Legal Disclaimer

The information presented today is provided for educational purposes and should not be considered legal advice.
Unemployment Compensation Updates
  • Unemployment Cost Management Program
  • MD/DC/VA Regional Updates
  • The CARES Act
  • Q&A
Unemployment Cost Management Program
Our training involves listening and answering questions. Our trainers take time to understand their audience and then craft a program that will not only inform but stimulate. Our training content is relevant, site specific and will evolve with audience participation. The recommendations made by UC Advantage, Inc. and your account manager are for unemployment insurance purposes only. There may be occasions that arise where the recommendations may not meet the best course of action required when dealing with other types of issues and/or legal matters. These issues should be taken to your own legal counsel. Once again, these recommendations are for the best handling of an unemployment claim only and are not legal advice in whole or part.
Unemployment Insurance provides temporary cash benefits to individuals who are unemployed through no **FAULT** of their own.

- The duration of Unemployment Insurance benefits currently 26 weeks (6 months) in most states.
- **Fault** - Responsibility for an accident of misfortune.
- Unique federal-state partnership, based on Federal law, but administered by State employees under State law.
Tax Rated, Merit Rated Employers

- Employer pays a tax based on their prior experience with unemployment claims.
- Also known as SUI, SUTA, or Payroll Tax.
- Taxes are paid on a designated amount of wages each year, called the “Taxable Wage Base”.
- Most US employers are tax rated. Rates can vary from 0% to 10.6%. Taxable wage bases can vary from $7,000 to $34,000
Reimbursing Employers

- Employer pays dollar for dollar for all UI benefits paid to employees or former employees.
- State sends the employer an invoice every month or quarter (depending on the state for the employer to reimburse the state.
- Only non-profit 501-c3 and governmental organizations can elect reimbursing option
Employer Payroll Taxes

Employer Payroll Taxes: Rate-based on prior years’ experience with a three or five year ‘look back’ period

Benefits Paid - Payments made to former employees on approved claims. Eligible for 26 weeks of payments for a benefit year.
For a Tax Rated Employer a single unemployment claim can result in a higher tax rate.

For Tax Rated Employers, it is important to:

- Verify Annual Tax Rate
- Audit and Protest Incorrect Charges
- Ensure SUI Tax Compliance on Mergers, Acquisitions and Reorganizations
- Respond Timely to Unemployment Claims, Hearing Notices, Board Appeals, Charge Statement Protests, Rate Notices, Voluntary Contributions, and Tax Inquiries.
State with $7,000 Taxable Payroll Base.

100 employees @ $7,000 each = $700,000 taxable payroll

Tax cost at:
- 1.5% = $10,500
- 4.0% = $28,000
- 6.2% = $43,400

1000 employees @ $7,000 each = $7,000,000 taxable payroll

Tax cost at:
- 1.5% = $105,500
- 4.0% = $280,000
- 6.2% = $434,000
BEACON One-Stop Online Application - Intended to offer Marylanders the opportunity to quickly and easily file all types of claims and weekly certifications entirely online 24/7.

Inactive nightly between the hours of 1:00 a.m. to 3:00 a.m. to perform maintenance.

A virtual waiting line - see how many individuals are waiting for site access, receive an estimated wait time that is constantly updated, and sign-up to receive an e-mail when the system is ready for you to access the platform.

A new gating system - Sundays and Mondays, ONLY for filing weekly claim certifications (If you are unable to file your weekly claim certification on Sunday or Monday, you are not restricted from filing it on any other day) - Tuesdays through Saturdays file new claims.

A new virtual assistant - for frequently asked questions - bottom right hand corner of your screen.

http://www.labor.maryland.gov/uim/employer/

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<th>Wage Base</th>
<th>Min Weekly Benefit</th>
<th>Max Weekly Benefit</th>
<th>Max Employer Liability</th>
<th>Min Tax Rate</th>
<th>Max Tax Rate</th>
<th>New Employer Rate</th>
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https://beacon.labor.maryland.gov/claimant/
NEW requirement for employers:

EMPLOYERS MUST PROVIDE THIS LETTER TO SEPARATED EMPLOYEES
Effective January 5, 2020, the Maximum Weekly Benefit Amount in the District of Columbia has increased from $432 to $444 for new initial claims.

With Mayor Bowser adjusting the District of Columbia’s operating status in response to coronavirus (COVID-19), District residents may file for unemployment compensation at dcnetworks.org.

https://does.dc.gov/page/unemployment-compensation
Interactive voice response line at 1-800-897-5630 or online account at www.vec.virginia.gov or www.vawc.virginia.gov.

Weekly filing for PUA claimants can be done through Gov2Go account.

Filed an unemployment insurance application (UI), must file a weekly claim for each week or no payment! VEC recommends Sunday, Monday, or Tuesday of each week to be paid for the prior week.

Employers, you can now provide information concerning individuals you have rehired, paid with PPP funding during the COVID-19 pandemic or who have refused an offer to return to work.

https://www.vec.virginia.gov/employers

https://www.vec.virginia.gov/covid19
The "Base Period"

Base Period is used to determine the weekly benefit amount for employees. Determined by high quarter of earnings in Base Period. Base Period also used to determine which employer(s) may be charged for unemployment benefits paid as a proportion of the wages in the Base Period.
Adjudication Process

INITIAL CLAIM
Initial Claim Filed, State Adjudicator collects separation information and makes initial decision.

HEARING
Non-Prevailing party may appeal initial decision to an Administrative Hearing. Initial information as well as additional information, first hand testimony, additional documentation considered.

- Hearings are always recorded
- All testimony will be under oath
- Hearing Officer, Employer Representative and Claimant can ask questions
- Moving party begins testimony

BOARD OF REVIEW
Board of Review does not consider any new information. Will consider a written argument. Overturn rate less than 1%. Primary purpose of Board to ensure Administrative Rules were followed.
How do you Win your Unemployment Case?

- Effective and Acknowledged Company Policy
- Proper and Thorough DOCUMENTATION, DOCUMENTATION, DOCUMENTATION
- Effective and Consistent Progressive Discipline
Three (3) Types of Separations

- **LAYOFF DUE TO LACK OF WORK**
- **VOLUNTARY RESIGNATION**
- **DISCHARGE/TERMINATION**
Three (3) Types of Separations

To receive benefits, a Claimant MUST BE

- PHYSICALLYABLE TO WORK
- AVAILABLE FOR FULL TIME WORK
- ACTIVELY SEEKING WORK
Voluntary Resignation

Who is the moving party?
How do you prove this?
Did the job effect **HEALTH, SAFETY, OR MORALS?**

- Another Job/Better Job
- Relocating
- Substantial Changes in Hire Agreement
- Reduction in Hours/Pay (Partial)
- Medical Related
- Job Abandonment
- Personal Reasons
- Dissatisfaction
- Quit in Lieu of Discharge
When the Employer is the moving party:

1. Willful Misconduct
2. Intentional Misconduct
3. Damage or Potential Damage to the Employer as a result of the action
The Difference Between Winning and Losing

- “Could Not” “Unable To”
- “Would Not” “Refused To”
Progressive Discipline

Three (3) Parts of a Warning

- THE VIOLATION
- EXPECTED ACTION OR HOW TO IMPROVE
- THE CONSEQUENCES
Warnings, Best Practices

- Document the improvement after the warning.
- Accepted Level of Performance

- Warning

- Hire Date
- Time
Gross Misconduct

- One-time incident that rises to the level of misconduct after one occurrence
- Up to the discretion of the Appeals Referee
The CARES Act
The CARES Act was signed into law by President Trump on Friday, March 27, 2020, in an unprecedented bi-partisan effort. The 2 trillion-dollar coronavirus economic stimulus bill is now available but what does this mean for the millions of employees and employers that are trying to understand the costs and benefits? We, at UC Advantage, will attempt to answer questions and provide guidance as more information is released and interpreted. The entire CARES Act is available on our website at https://www.ucadvantage.net/Covid-19.html
Section 2104, which provides most individuals an emergency increase in traditional unemployment insurance (UI) benefits of $600 per week through July 31, 2020, likely increasing benefits beyond what many workers were earning before becoming unemployed.

Section 2102, the Pandemic Unemployment Assistance program, which provides up to 39 weeks of UI to people not otherwise eligible for regular unemployment compensation (including the self-employed and those who have exhausted their regular and extended benefits).

Section 2107, which creates the Pandemic Emergency Unemployment Compensation program to provide 13 weeks of emergency UI for people who remain unemployed after they have exhausted their benefits or are not otherwise eligible for benefits.
Big Questions

- Who is eligible; how much do they get; how long do they get it?
- We are a reimbursor/non-profit – what will states charge us for claims?
- Who bears the cost and pays for the claim liability?
- I am on my own and I do not have a TPA (Third Party Administrator) so how does this affect the claim process?
Big Questions

Who is eligible; how much do they get; how long do they get it?

- Expanded Eligibility to many previously uncovered workers (such as the self-employed, independent contractors, and gig economy workers) when An employer temporarily ceases operations due to COVID-19; An individual is quarantined with the expectation of returning to work after the quarantine is over; An individual leaves employment due to a risk of exposure or infection or to care for a family member.

- Weekly Benefit Amounts
- Federal Pandemic Unemployment Compensation Weekly Benefit of $600
- Extended Benefits
Resources

UC Advantage, Inc, Resources: www.ucadvantage.net/resources

Federal Resources:
https://www.dol.gov/coronavirus
https://oui.doleta.gov/unemploy/

Regional Resources:
Maryland Department of Labor
https://www.dllr.state.md.us
DC Department of Employment Services
https://does.dc.gov/
Virginia Employment Commission
https://www.vec.virginia.gov/employers
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