



**Payroll
Network**SM



UCADVANTAGE

COVID-19 UPDATE

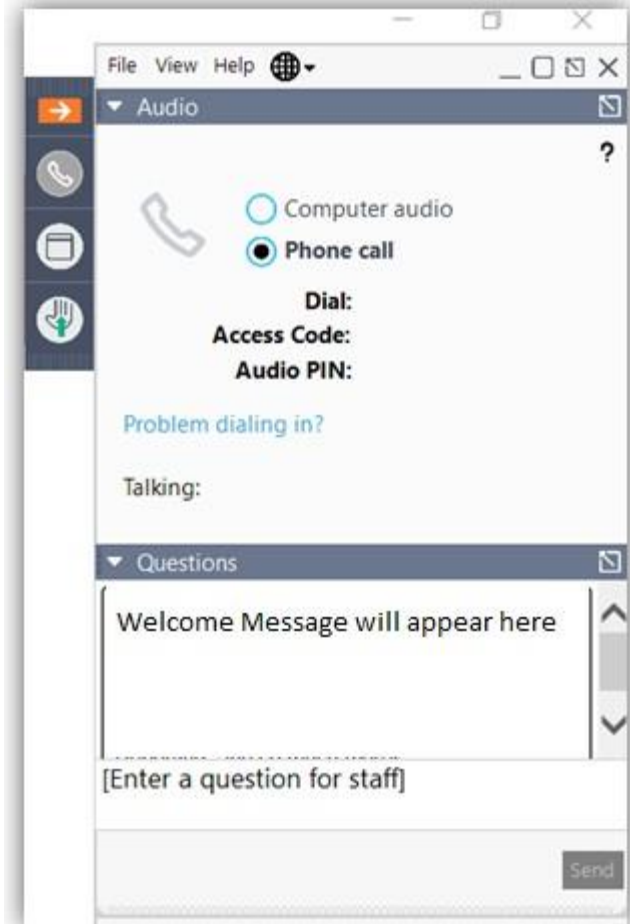
6/4/2020

**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

Overview



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 System

- 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.



Two(2) Financing Options for Unemployment

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



Two(2) Financing Options for Unemployment

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



Experience Rated Unemployment Insurance Accounts

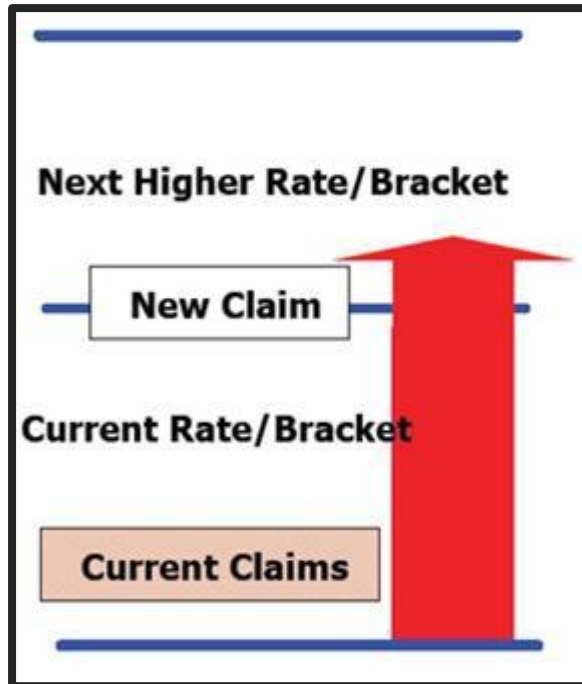
Employer Payroll Taxes

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.

Unemployment Taxes & The Importance of Unemployment Claims Management



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.

Tax Cost Examples

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



Maryland



Wage Base	Min Weekly Benefit	Max Weekly Benefit	Max Employer Liability	Min Tax Rate	Max Tax Rate	New Employer Rate	Voluntary Contribution
\$8,500	\$50	\$430	\$11,180	0.3%	7.5%	2.6%	No

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

- **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.

<https://beacon.labor.maryland.gov/claimant/>



NEW requirement for
employers:

EMPLOYERS MUST PROVIDE THIS LETTER TO SEPARATED EMPLOYEES

EMPLOYER LETTER OR EMAIL TO AN EMPLOYEE ABOUT THE AVAILABILITY OF UNEMPLOYMENT COMPENSATION

Unemployment Insurance (UI) benefits are available to workers who are unemployed and meet the requirements of Maryland's UI eligibility laws. You may file a claim for UI benefits in the first week that your employment stops or your work hours are reduced.

For assistance, more information about filing a claim, or to file a claim for UI, visit MDunemployment.com or call a Claims Center at (410) 949-0022. Maryland Relay 711.

You will need to provide the following information in order to file a claim for UI benefits:

1. Your full legal name;
2. Your full social security number;
3. Telephone number and email address;
4. Name, date of birth and social security number of all dependents under 16;
5. Name, address, and telephone number for all employers within the last 18 months; and,
6. Employment start and end dates.

If applicable, you will need the following:

7. Your authorization to work (if you are not a U.S. Citizen);
8. Union name and local number;
9. DD-214 Member 4 if you were in the military; or,
10. Form SF-8 if you were a federal employee.

To receive unemployment insurance benefits in Maryland, you must:

- Be Unemployed - Not performing any work for wages or working less than full-time and earning less than your benefit amount;
- Be monetarily eligible - Earned at least \$1,176 in one quarter and at least \$1,800 during two quarters combined in the base period (prior 18 months);
- Be able and available to work - Ready and willing to accept work without restrictions on your time or physical ability;
- Actively seeking work - Perform your work search requirements each week (this requirement is waived during the COVID-19 pandemic state of emergency);
- File weekly claim certifications - To receive benefit payments, you MUST file a certification each week; and,
- Register to work - You must be registered with the Division of Workforce Development through the Maryland Workforce Exchange System (available at mwejobs.maryland.gov).

Wage Base	Min Weekly Benefit	Max Weekly Benefit	Max Employer Liability	Min Tax Rate	Max Tax Rate	New Employer Rate	Voluntary Contribution
\$9,000	\$50	\$444	\$11,544	1.6%	7.0%	2.7%	No

<https://does.dc.gov/service/employer-tax-information-unemployment-insurance>

- 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>

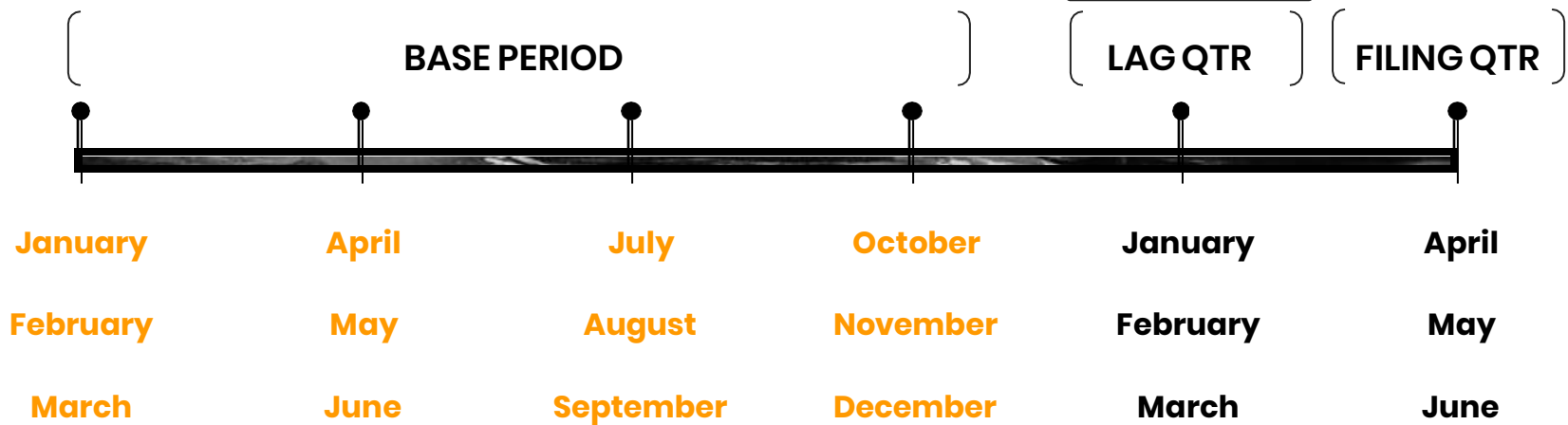
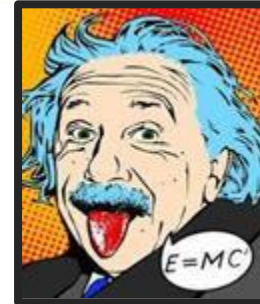
Wage Base	Min Weekly Benefit	Max Weekly Benefit	Max Employer Liability	Min Tax Rate	Max Tax Rate	New Employer Rate	Voluntary Contribution
\$8,000	\$60	\$378	\$9,828	0.1%	6.2%	2.5%	No

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

- **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/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

- **PHYSICALLY ABLE TO WORK**
- **AVAILABLE FOR FULL TIME WORK**
- **ACTIVELY SEEKING WORK**

Voluntary Resignation

Who is the moving party?

How do you prove this?

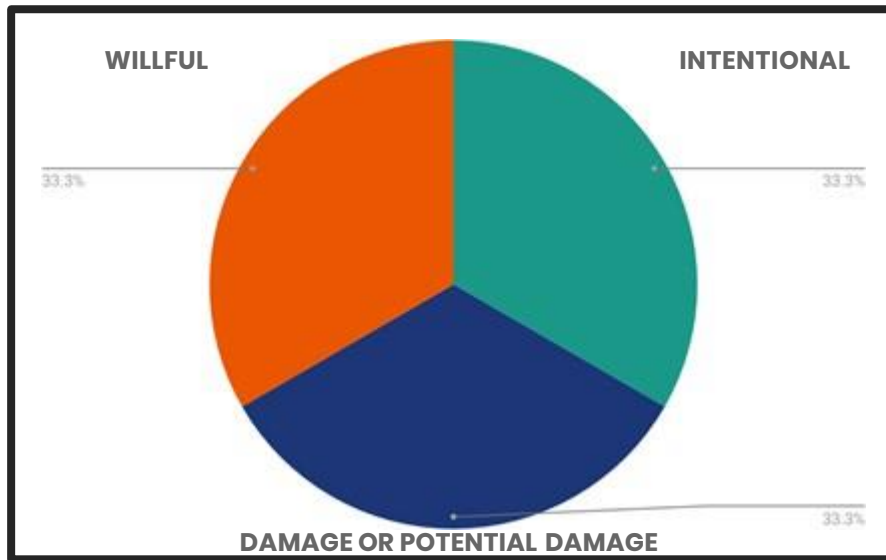
Did the job effect **HEALTH, SAFETY, OR MORALS?**



- 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*

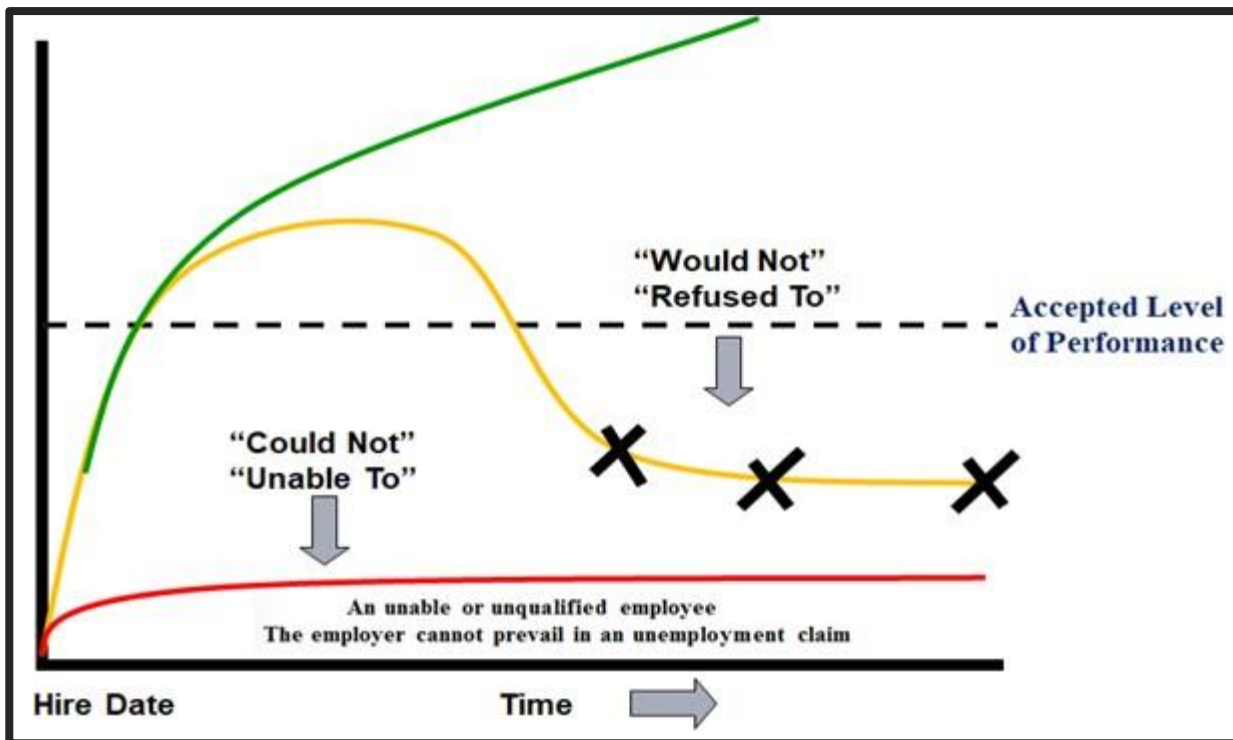
Types of Discharge/Terminations

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



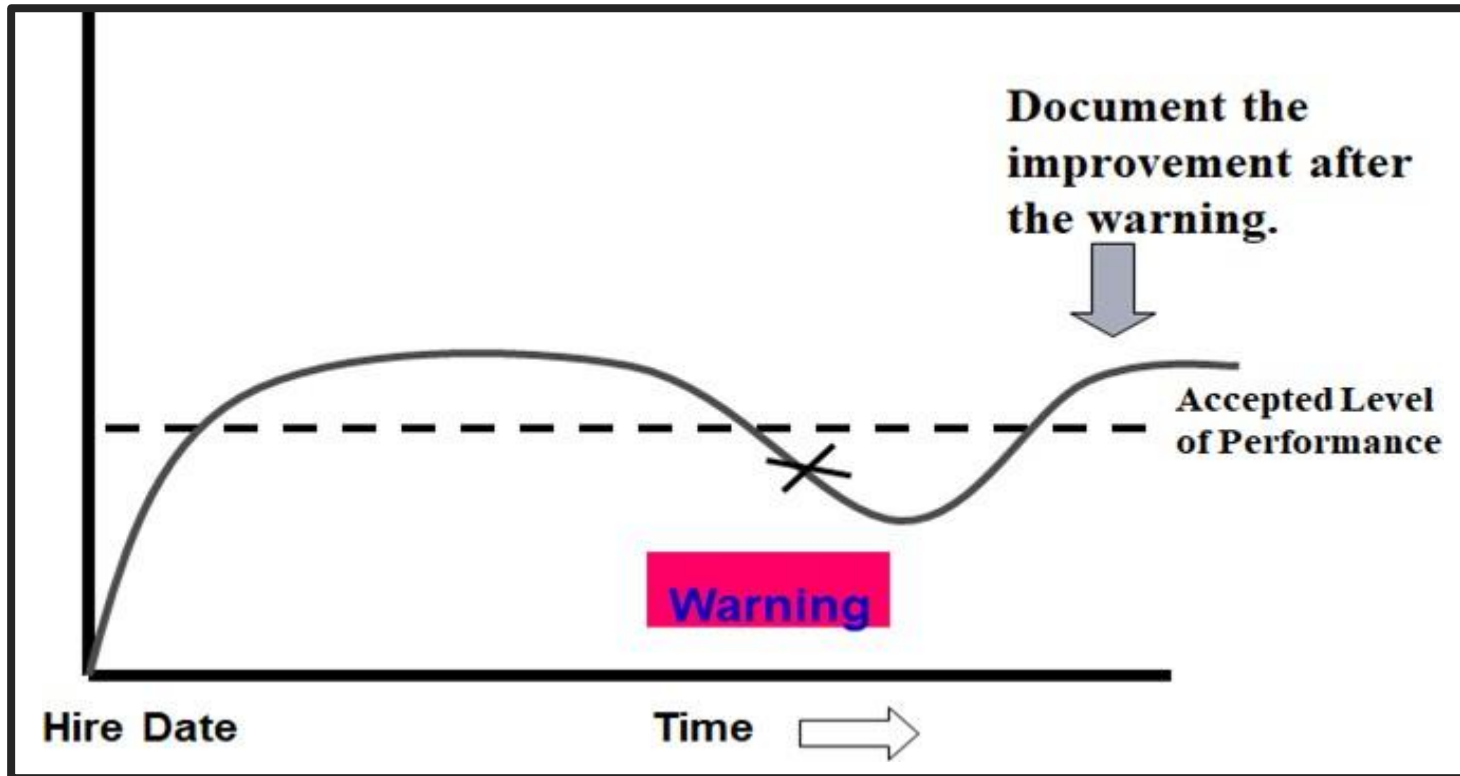
Progressive Discipline

Three (3) Parts of a Warning



- **THE VIOLATION**
- **EXPECTED ACTION OR HOW TO IMPROVE**
- **THE CONSEQUENCES**

Warnings, Best Practices



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 Overview



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>



Most Defining



- 1 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.
- 2 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).
- 3 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?

● Who bears the cost and pays for the claim liability?

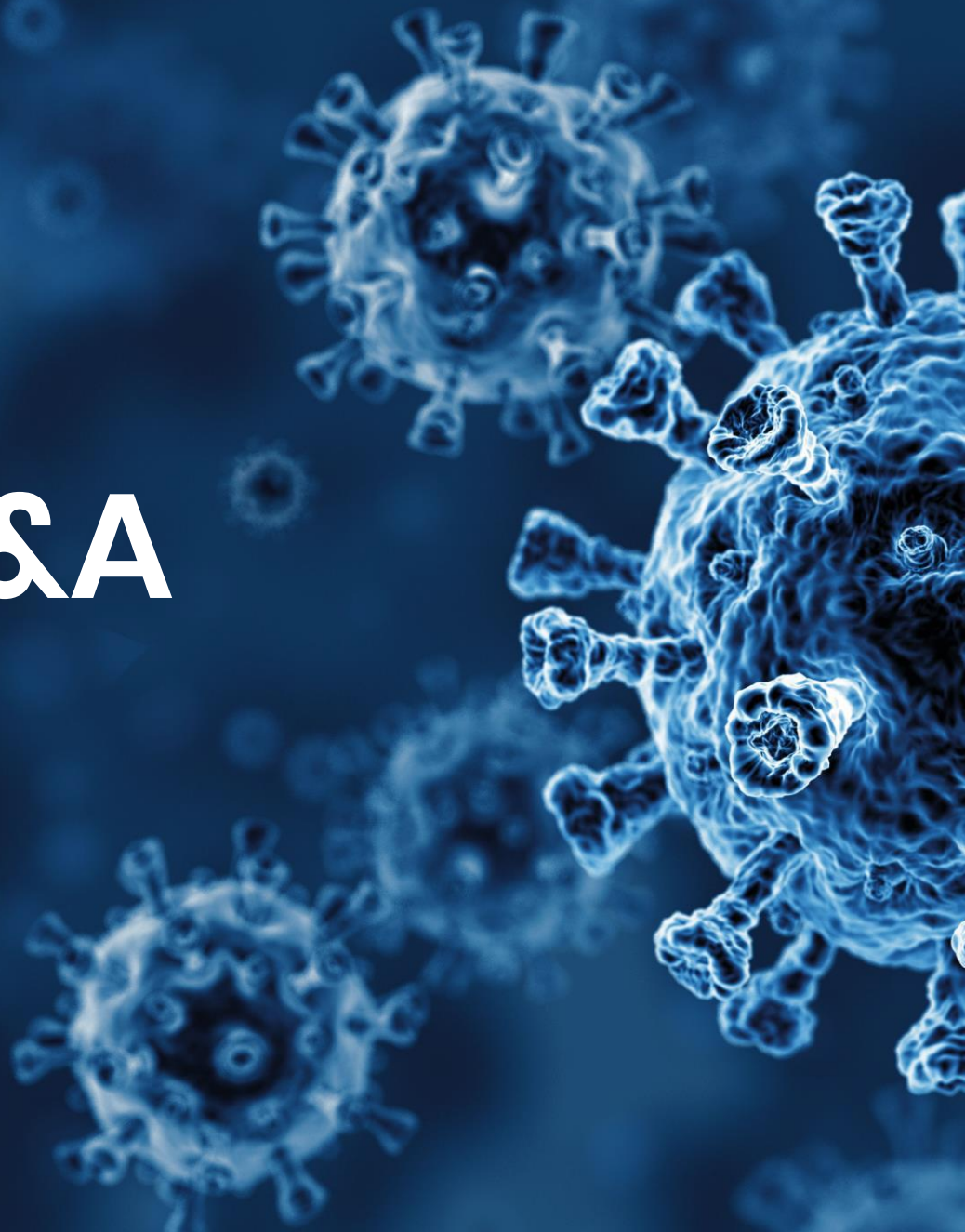
● We are a reimbursor/non-profit – what will states charge us for claims?

● I am on my own and I do not have a TPA (Third Party Administrator) so how does this affect the claim process?

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

Q&A



Resources



The CARES Act: <https://www.ucadvantage.net/Covid-19.html>

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

Federal Resources:

<https://www.dol.gov/coronavirus>

<https://oui.doleta.gov/unemploy/>

<https://www.careeronestop.org/LocalHelp/UnemploymentBenefits/find-unemployment-benefits.aspx>

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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The background of the slide features several stylized, glowing blue virus particles. These particles are spherical with numerous small, protruding spikes or receptors on their surfaces, giving them a textured, three-dimensional appearance. They are scattered across the dark blue background, with some appearing larger and more detailed than others, creating a sense of depth and movement.

Thank You!

Reminder:

We want your feedback.
Please complete the webinar survey.