



# Business Guidelines to Dealing with Unemployment



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**SPECIALISTS IN CONTROLLING EMPLOYER'S UNEMPLOYMENT COSTS**

Carol Gabrielsen has worked in 15 different states, with employers in all areas relating to unemployment problems. Carol served as technical advisor during Gov. Thompson's Summit Meeting on the Illinois Unemployment Insurance in 1988. Carol was on the Unemployment Task force for Governor's Thompson, Edgar and Ryan, and continues to work on several committees with the Illinois Department of Employment Security (IDES) on rules and regulations, form design and IDES procedures. Carol is a member of the Illinois Chamber HR Committee which oversees legislation regarding the Unemployment Laws. She published "A Manufacturers' Guide to the New Unemployment Law." Carol speaks publicly at conferences for SHRM, Illinois State Chamber of Commerce, Management Association of Illinois, Employers Association of Illinois, and the Manufacturing Association of Illinois and IPRA.

## 2015 WEEKLY BENEFIT AMOUNTS

- **Minimum WBA \$ 51.00**
- **Maximum Single no dependents \$426.00**
- **Maximum married non-working spouse \$507.00**
- **Maximum with dependent child \$580.00**

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## 2015 WEEKLY BENEFIT AMOUNT

- Maximum benefits paid for 26 weeks:
- Single: **\$11,076.00**
- Non working Spouse: **\$13,182.00**
- Dependent Child: **\$15,080.00**

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## 2015 TAX RATE

- Maximum rate **8.150%** Cost per employee \$1,056.24
  - Minimum rate **.550%** Cost per employee \$ 71.28
- POTENTIAL SAVINGS** **\$ 984.96**

- 2015 TAXABLE WAGE BASE: **\$12,960.00**

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## 2016 CONTRIBUTION RATES

- On December 1, 2015 the State of Illinois will mail the 2016 Employer Contribution Rate Determination.
- Each employer had 15 days from the date of mailing to issue a protest if the employer disagreed with the rate as assigned.

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## TAX RATE VERIFICATION

- Review the BEN 118 (Statement of Benefit Charges) for each quarter listed on the rate determination.
- If there are outstanding protests, hearings, decisions on a BEN 118 protest, a protest needs to be issued regarding that quarter on the tax rate.
- Verify that all credits have been issued properly to the employer's account.
- Should an error in the credits be found, issue a protest regarding that particular quarter.
- Provide documentation on all areas protested.

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## TAX RATE VERIFICATION

- Verify the taxable wage figures on your UI-3/40 to the figures listed on the Contribution rate Determination.
- After all figures as verified, multiply the benefits charges by the benefit conversion factor of 138.4%.
- Divide the revised benefit charges by the taxable wage total which will determine the benefit wage ratio.

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## TAX RATE VERIFICATION

- The 2016 benefit wage ratio is multiplied by the State Experience Factor.
- 2015 benefit conversion factor was 125%.
- Add the 2016 Fund Building Tax.
- The total will be the Contribution Rate payable by the Employer for the calendar year 2016.

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## REIMBURSING EMPLOYER

- Under the Illinois Unemployment Law Governmental Agencies, Nonprofit Organizations and Educational Institutions have two options regarding unemployment costs.
- The Employer can pay a tax on their payroll or elect to reimburse the Illinois Department of Employment Security for any benefits paid to the Employer's past employees.

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## METHOD OF PAYMENT

- Method of payment can be changed by December 31, 2015.
- The change will be for at least two years.
- A letter must be mailed to IDES requesting the change in payment status.

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## CLAIMS HANDLING

- IDES has two claim forms:
  - Notice of Claim To **Chargeable** EmployerOr
  - Notice of Claim To Interested or Not Chargeable Party
- Employers now are aware when a current part time employee files for unemployment benefits, as the employer will receive an unemployment claim.

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## CLAIM FORMS

- The employee stops working for the employer and files a claim for benefits.
- 90% of unemployment claims are filed online.
- The claimant completes a form, giving the reason for separation, last day of work, last 30 day employer and all subsequent employment history.

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## CLAIM FORMS

- If IDES changes the chargeable status on the interested party claim, the employer will not get a second chance to protest the separation issue.
- At least 10% of the Interested Party claims received in our office are changed to chargeable status.

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## CHARGEABLE CLAIM

- Protest All Issues Possible.
- Voluntary Quit, Discharged, Refusal of Work, Availability for work, Pay Issues and Chargeability Issues.
- Attach all documents relating to the issues protested.

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## CHARGEABLE CLAIM PROTEST

Here is the information needed to attach to the protest:

- When an Employee is Discharged: letter of termination, details of final incident, prior warnings for the past 6 months, copy of policy violated, signature for the policies, all reports and documents regarding the final incident.
- When and Employee has resigned: reason for resignation, letter if provided by the past employee.
- Refusal of work: need date of work offer, date work is to begin, job title and duties, rate of pay, locations and hours of the job and reason for the refusal.

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## NOT CHARGEABLE/ INTERESTED PARTY CLAIM

- This form is sent out to all employers back to the beginning of the base period to date filed for benefits.
- Protect your rights, protest the reason for separation.
- No need to send all the documentation.
- If the employer becomes chargeable, pull file and send all the documents as additional information.

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## CHARGEABLE EMPLOYER

There are three tests that can be used to determine the chargeable employer:

- 30 Working Days
- Requalifying Employer
- Part-Time Employees

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## 30 DAY CHARGEABLE EMPLOYER

- The Individual must have worked at least 30 working days from the date of claim, back to the beginning of the base period.
- The 30 day test is used on all new claims.
- The 30 days need not be consecutive.

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## BASE PERIOD

- The base period is the first four calendar quarters of the last five completed calendar quarters.
- The base period changes quarterly
- For July 2015 the base period is April 1, 2014 through March 2015.
- The base period can be the most recent four calendar quarters if needed to establish a weekly benefit amount.

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## REQUALIFYING CHARGEABLE EMPLOYER

- The individual must earn his/her weekly benefit amount in each of four calendar weeks after a disqualification was imposed based on a voluntary quit, discharge for misconduct or refusal of work.
- This applies to an additional claim only, does not apply to new claims.

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## CHARGEABLE EMPLOYER – PART TIME

- The full time Employer is Chargeable until the claimant earns over his or her weekly benefit amount in one week.
- The employer can be charged if the claimant works:
  - part time for the employer
  - worked 30 days
  - lost his or her full time job
  - The part time employer increases hours for one week.
- The claim is stopped when the claimant earns over his/her weekly benefit amount.

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## CHARGEABLE EMPLOYER – PART TIME

- When wages are reduced by the part time employer and the claimant earns less than the weekly benefit amount the claim is reopened.
- IDES will look for the most recent 30 day employer who reduced the wages.
- This will be the part time employer.
- The part time employer will now be the chargeable employer.

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## CHARGEABLE EMPLOYER

### **BOTTOM LINE:**

- EVALUATE ALL NEW HIRES BY THE END OF THE FIRST THREE WEEKS.
- DO NOT INCREASE PART TIME WORKERS HOURS IF THE EMPLOYER IS AWARE THE CLAIMANT HAS FILED FOR UNEMPLOYMENT BENEFITS.

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## DISQUALIFICATIONS

- Discharge for Misconduct, Voluntary Quit and Refusal of Work results in benefits being denied until the claimant:
  - Returns to work and earns his/her weekly benefit amount in each of four calendar weeks.

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## VOLUNTARY QUIT

When an employee voluntarily resigns:

- The Employer should request that a voluntary resignation form be completed.
- This form should be completed at the time of the verbal resignation.
- A document needs to be prepared and sent to the employee, if the employee did not submit a written resignation.

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## VOLUNTARY QUIT

- If a voluntary quit is attributable to the employer, unemployment benefits will be paid.
- If the voluntary quit is not attributable to the employer, unemployment benefits will be denied.
- If an individual voluntarily quits per medical advice, and a medical statement is given to the employer; benefits will be paid once the medical situation is resolved. *This is a pooled cost; the employer will be removed as chargeable.*

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## DISCHARGE FOR MISCONDUCT

### **TO ESTABLISH MISCONDUCT WE MUST ESTABLISH:**

- The **FINAL INCIDENT** warranted a **DELIBERATE AND WILLFUL VIOLATION** of a known Employer policy.
- Warnings, suspensions, or termination must take place immediately after the incident. To act immediately,
  - We suggest you suspend the Employee pending an investigation. All suspensions must be in writing and have a beginning and ending dates.
  - Suspensions are usually two to three working days, no more than 7 days

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## DOCUMENTATION

- Time and date of the violation.
- Get witness statements.
- State facts of violation.
- Do not make general statements, personal comments or bring in additional issues.
- Document Employee's reason for the rule or policy violation.

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## DOCUMENTATION

- For the warning to be used, the Employee must have seen the written warning.
- Give the Employee an opportunity to read, sign, and make comments on the document.
- If the Employee refuses to read, sign and make comments - have a witness sign the form that the Employee refused to sign the form.
- Do not write in the Employee's comments section.

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## UCI – Available Services



- Audit your tax rate for the current year to determine if your rate has been assigned correctly.
- Evaluate your present personnel policies, forms and records to determine how they will affect decisions on your unemployment cases.
- Conduct workshops for your managerial staff as to the proper handling of hiring, warning, suspending, discharging employees, leave of absences, resignations and layoffs.
- Respond to all protestable claims on your behalf., Handle all local office telephone requests.
- File appeals to all local office determinations, Administrative Law Judge decisions, and director's orders.
- Attend all unemployment hearings scheduled in person or by phone.
- Verify and protest, if necessary, all tax rates.
- Verify and protest, if necessary, all quarterly BEN 118 or BEN 118R..
- Provide claims activity reports.
- Periodic visits to your offices to insure procedures are being followed.
- Keep you informed regarding law changes, new administration rules and regulations and precedent decisions which may affect your business.
- Conduct workshops as needed to continue to educate your staff on proper documentation for unemployment cases.

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Many thanks for sharing her time and expertise goes to:



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We would like to work with your organization and help you reduce your unemployment costs.

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## Questions