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The Unemployment Insurance Integrity Mandate—How New Laws Affect Staffing Firms

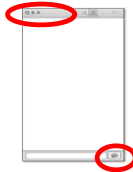
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Feb. 10

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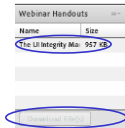
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Name	Size
The UI Integrity Mandate	967 KB

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THE UI INTEGRITY MANDATE

How New Laws Affect Staffing Firms



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Today's Presenter



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The UI Integrity Mandate Today's Agenda



- › Increased focus on UI Integrity
- › Federal mandate
- › New perspective on claims response
- › Financial penalties
- › State specific guidance
- › Staffing firm strategies

New UI Integrity Legislation



The Trade Adjustment Assistance Extension Act of 2011

State UI agencies must prohibit relieving employers of benefit charges to their unemployment tax account *when both of the following exist*:

- UI benefits were improperly paid due to failure to respond timely or adequately to the state's request for information relating to the claim
- The employer has established a pattern of failing to respond timely or adequately

The states had until October 21, 2013, to amend their UI laws to be in compliance with this new federal requirement.

From Protest to Compliance

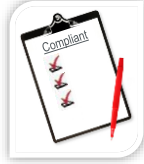
A Protest Decision



Previously: Employers made a choice between responding or not responding to unemployment claims - often responding only if it was considered an improper claim.



A Matter of Compliance



Moving Forward: Employers are required to respond to all claims in order to remain in compliance with new regulations and avoid financial penalties.

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Common Penalty – No Charge Relief

Initial Charges

Successful Appeal

End of benefit period



- Employers expected to improve quality of information provided to states in initial response vs. perfecting at a later date
- Federal mandate does not include loss of appeal rights, although this can be included at the state level
- Resulting increases in benefit charges may negatively impact employer UI tax rates moving forward

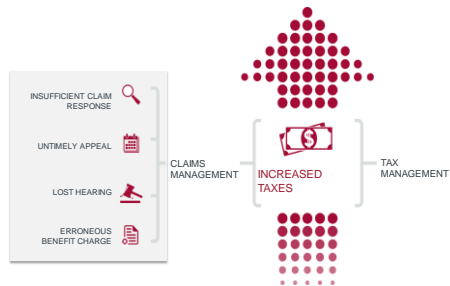
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Contribution to Unemployment Tax Rates



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STATE GUIDANCE ON UI INTEGRITY



UI Legislation Mandate—State Interpretations

- › **California:** "Up to 10 times the weekly benefit amount (false statement penalty)"
- › **Louisiana:** "\$50 - \$1000 (false statement penalty)"
- › **Maryland:** "\$15 penalty per instance"
- › **Massachusetts:** "\$25 penalty per instance and loss of appeal rights"
- › **Minnesota:** "Employer must pay the trust fund the amount of the overpaid benefits (insufficient response penalty); "Up to \$500 (false statement penalty)"
- › **Nebraska:** "Loss of appeal rights"
- › **Vermont:** "\$100 penalty per instance"
- › **Virginia:** "\$75 penalty after third offense"

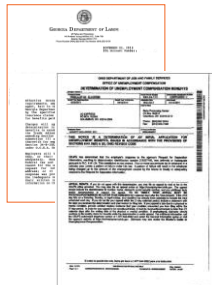


Conforming legislation now in effect in all 53 jurisdictions

**Implemented by state prior to new UI Integrity legislation (MN already had the \$500 false statement penalty)*

UI Legislation Mandate—State Interpretations

- › **Arkansas**
<http://www.arkansas.gov/esd/News/Regulations.htm#R15>
- › **Massachusetts** <http://www.mass.gov/hd/unemployment-insur/employers/timely-return-of-claim-notifications.html>
- › **Montana**
<http://www.mtnrules.org/gateway/juleno.asp?RN=24.11.450A>
- › **North Carolina**
http://www.ncscf.com/h84/EMPLOYER_MEMO9.11.13_M.pdf
- › **Ohio**
<http://js.ohio.gov/factsheets/UCmployerBenefitResponsibilities.stm>
- › **Texas**
http://www.hrc.state.tx.us/hrcinfo/rules/20112012adqoch815_061014.pdf



Arkansas Regulation No. 15



Timely responses required on all claims, regardless of reason for separation, by the deadline provided

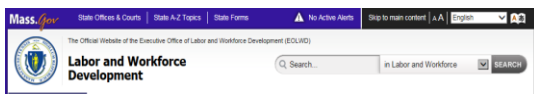


Accurately means necessary information is provided for an adequate determination of eligibility



Pattern is determined quarterly – failure to provide timely, adequate information to at least 51% of requests is considered a pattern.

Massachusetts Provides Clarity



- If it is determined that the employer is late with a response or the response was not adequate, the employer is not considered a party to any further proceedings and will be prohibited from being relieved of any benefit charges on the claim.

Tips for Employers

Be aware of guidance states have given to date and look for updates on unemployment websites

Carefully review new state unemployment correspondence for changes

Track and monitor your unemployment cases for any language pertaining to timeliness and adequacy

STRATEGIES FOR STAFFING FIRMS



Best Practices for Staffing Firms

- ✓ Know and understand unemployment regulations for your state(s)
- ✓ Require details of removals from assignment from your clients
 - ✓ Establish procedures for providing this information to you
 - ✓ Hold your clients accountable for providing this information – Contract? Penalties? Pass unemployment costs to your clients?
- ✓ Establish your own company policies and follow those rather than following your clients' company policies
 - ✓ Attendance
 - ✓ Conduct
 - ✓ Other important policies

Best Practices for Staffing Firms

- ✓ Pursue unemployment issue of failure to maintain contact in the states which allow
 - ✓ Ensure your company policy requires maintaining contact for other work at assignment end per state regulations
 - ✓ Provide a signed acknowledgement of requirement for every unemployment claim response where this is an issue
- ✓ Develop a tracking system for details surrounding job offers and refusals
- ✓ Develop a process for providing job refusals to state agencies when claims have been filed

A Successful Strategy for UI Compliance



- Rapid and accurate claims response
- Easy access to employee data and case history
- Comprehensive workforce data reporting and benchmarking
- Comprehensive employee training
- Updating state databases

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Questions?



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- Feb. 24: How to Hold Critical Conversations Productively
- March 5: Negotiating With Confidence
- March 12: Determining Your Needs When Choosing a Software Solution for Your Firm
- March 26: State of the Industry—An ASA Quarterly Update for Staffing Professionals

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