

NAVIGATING UNEMPLOYMENT

Presented by:
Jorie Cummis, CEO





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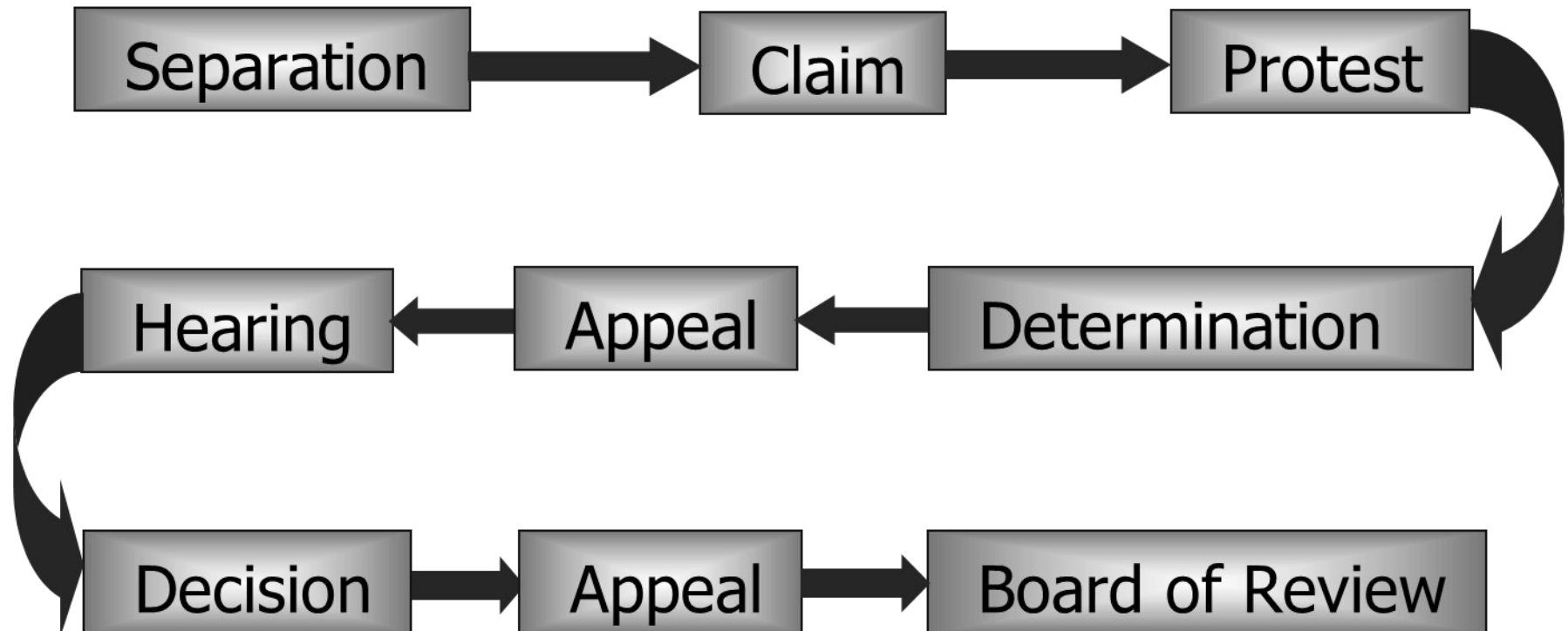
SESSION AGENDA

- 1. History of the Unemployment System**
- 2. Life Cycle of a Claim**
- 3. Review of Separation Reasons**
- 4. Summary of Hearing Process**
- 5. Benefit Charges/Tax Rates**
- 6. Hot Topics - FRAUD**
- 7. Q & A Session**

US Unemployment System

- ▶ The Great Depression – The New Deal
- ▶ Employer funded UI Trust
- ▶ Financed by Federal (FUTA) and State (SUI) tax rate

THE CLAIM PROCESS





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ELIGIBLE FOR BENEFITS?

- **UNEMPLOYED THROUGH NO FAULT OF THEIR OWN**
- **ABLE TO WORK**
- **AVAILABLE TO WORK**
- **ACTIVELY SEEKING WORK**
- **MEET STATES' MONETARY REQUIREMENTS**

3 TYPES OF SEPARATIONS

- **QUIT** – Burden of proof on claimant to show cause attributable to the employer
- **DISHCHARGE** – Burden of proof on employer to show misconduct: “A deliberate and willful disregard of employer’s interest or repeated violations of policy despite warnings”
- **LACK OF WORK**



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ADMINISTRATIVE LAW HEARINGS

- **“MINI” TRIALS**
- **PRESIDED OVER BY ADMINISTRATIVE LAW JUDGE**
- **EYE-WITNESSES AND RULES OF EVIDENCE**



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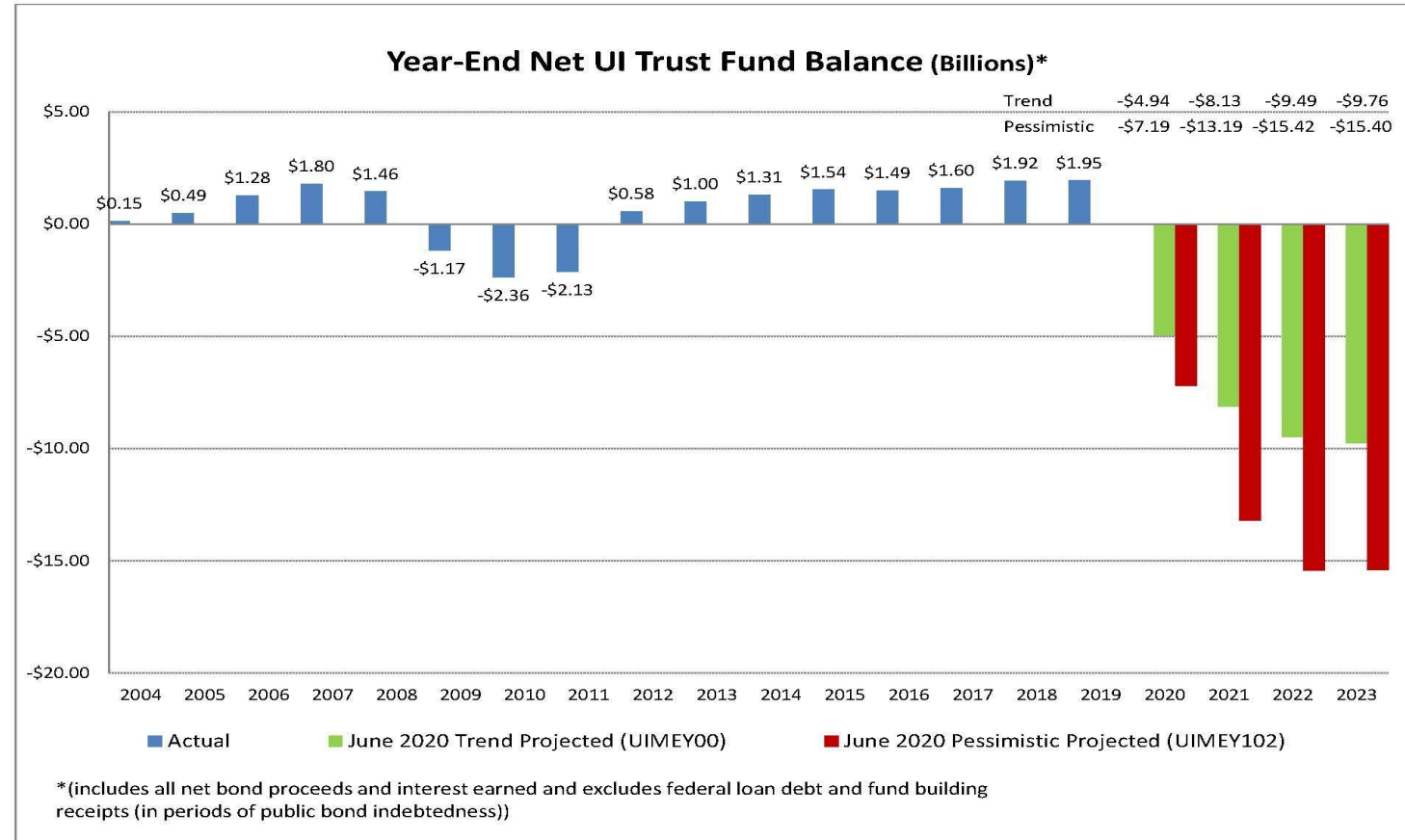
CHARGING OF UI ACCOUNTS

- **CARES ACT OF 2020 & 820 ILCS 405:
NON-CHARGING FOR SEPARATIONS DIRECTLY OR
INDIRECTLY RELATED TO COVID-19**
- **QUARTERLY CHARGE STATEMENTS:
IL FORM BEN 118 ONLY ACCESSIBLE ON
MYTAX.ILLINOIS.GOV**
- **WILL COVID-19 AFFECT MY SUI TAX RATE?**



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IL SUI RATE CALCULATION

Benefit Charges	X	Benefit Conversion Factor	=	Converted Benefit Charges	*/*	Taxable Wages	=	Benefit Ratio	x	State Experience Factor	+	Penalty Rate	+	Fund Building Rate	=	Contribution Rate
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Tax Parameters Trend/Pessimistic	2020	2021	2022	2023
Adjusted State Experience Factor	79%	95%	111%	127%
Fund Building Rate (FBR)	0.425%	0.475%	0.525%	0.550%
Minimum Tax Rate (includes FBR)	0.625%	0.675%	0.725%	0.850%
Maximum Tax Rate (includes FBR)	6.825%	6.875%	7.625%	8.650%
Average Tax Rate (accrued)	2.13%	2.28/2.29%	2.98/3.74%	3.97/4.67%
Taxable Wage Base	\$12,740	\$12,960	\$12,960	\$12,960

NSN

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WHY IS UI FRAUD SO RAMPANT?

- **HIGH VOLUME OF CLAIMS**
- **OUTDATED TECHNOLOGY SYSTEMS**
- **VULNERABLE WEB PORTALS**



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FORMS OF UI FRAUD

- **Claims recipient knowingly submitting false information**
- **Claims recipient continuing to collect benefits when in eligible**
- **Identity Theft**



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HOW TO RESPOND TO UI FRAUD

- **Report any employment status changes to IDES**
- **Report any Work Refusals to IDES**
- **When an employee is currently working, verify if he/she filed an unemployment claim**



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BEST PRACTICES FOR IDENTITY THEFT

As the Employer:

Provide NSN as much of the following information as possible:

- Payroll records – Time sheets or payroll summaries
- “Actual” address of employee
- “Actual” phone number of employee
- Copy of employee’s Drivers License or State ID card
- Copy of SS card
- Notarized Statement from employee that he/she did not file



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BEST PRACTICES FOR IDENTITY THEFT

For the Employee:

1. File a police report immediately at the closest police station available.
2. Contact the credit reporting agencies to report Identity Theft.
3. Visit the state website to report unemployment fraud
4. Review your bank accounts. Any funds deposited into an account from unemployment will be required to pay back.



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HOW TO MANAGE CHARGES THRU WORK REFUSALS

- At High Risk: People 65 years or older are at higher risk for getting very sick from COVID-19.
- Household member at high risk
- Diagnosed with COVID-19: The individual has tested positive for COVID-19 with confirmation from an authorized source.
- Family Member with COVID-19: Anybody in the household has tested
- positive for COVID-19 with confirmation from an authorized source and is not recovered and 14 days have not yet passed.
- Quarantined: The individual is currently in a 14-day quarantine due to close contact exposure to COVID-19.
- Childcare: Child's school or daycare closed, and no alternatives are available.



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WORK REFUSALS

What date was the job offer made?

How was offer made or communicated?

What was the specific reason the employee gave for refusing the job offer?

Name of person who made the offer

Same position offered?

If different, please explain

Hours and pay same as previous?

If No, what was previous rate of pay?

If No, what were previous hours?

Rate of Pay Offered

Hours Offered



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SUMMARY: REVIEW CHARGE STATEMENTS

- FRAUDULENT CLAIMS
- NON-CHARGEABLE CLAIMS
- WORK REFUSALS