

Employer Guide to Unemployment Insurance

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**AUDITOR OF STATE'S
2018 LOCAL GOVERNMENT
OFFICIALS' CONFERENCE**

**PRESENTED BY
THE OFFICE UNEMPLOYMENT
INSURANCE OPERATIONS**

Unemployment Insurance Tax Introduction

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- **Public Entity Background**

- Definition
- Liability
- Reporting Options

- **ERIC**

- Services

- **Quarterly Reports**

- Requirements and Due Dates
- Online Filing Requirement
- Monthly Billings and Credits
- Process Overview

Unemployment Insurance Tax Public Entities

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- **Who is a Public Entity for Purposes of UI Coverage?**

- The State of Ohio and its instrumentalities and political subdivisions
- Ohio's counties and townships
- Ohio's municipalities (cities, villages, school districts)
- Charter schools
- Other public agencies established under Ohio law and by ordinance or resolution of a political subdivision

Unemployment Insurance Tax Public Entities

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- **Public Entity Liability Criteria**
 - At least one employee in covered employment
 - Public entities are reimbursing employers; may request to become contributory
 - Must remain reimbursing or contributory minimum of 2 years
 - Not required to provide bonding

Unemployment Insurance Tax Public Entities

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- **Covered Employment**
 - Services of all employees, whether classified or unclassified
 - Services of all employees, whether full-time, part-time, or temporary
- **Excluded Employment**
 - Publicly elected officials
 - Member of a legislative body
 - Member of the judiciary
 - Military member of the Ohio National Guard
 - Employee serving on a temporary basis in case of declared emergencies
 - Major non-tenured policymaking or advisory position

Unemployment Insurance Tax Public Entities

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REIMBURSING		CONTRIBUTORY	
Reimburses the state for benefits paid on a dollar for dollar basis	Reimbursement of benefits paid are made monthly	Pays contributions (unemployment taxes) on the first \$9,500 earned by each employee (taxable wages)	Contributions are paid quarterly (total taxable wages x annual tax rate)
ADVANTAGES	DISADVANTAGES	ADVANTAGES	DISADVANTAGES
No payment is required if benefits are not charged to employer's account	Unplanned expenses can accrue when benefits are paid	Contributions are limited	Employer pays contributions even when no benefits are charged
Amount owed may be less than quarterly contributions	No relief of charges to an employer's account	May be easier to budget — more predictable	Quarterly taxes may exceed the benefits paid
.....	Credits are not applied until benefits deemed overpaid are repaid by the claimant	Employer's account is credited immediately when benefits are determined to have been overpaid

Unemployment Insurance Tax Quarterly Reporting

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• Reporting Requirements

- Submit wage report quarterly, even if there are no employees

• Due Dates

- 1st Quarter – April 30
- 2nd Quarter – July 31
- 3rd Quarter – October 31
- 4th Quarter – January 31

Note: If the due date falls on a weekend or holiday, the quarterly report is due the next business day

Unemployment Insurance Tax Quarterly Reporting

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• Methods of Filing

- **ERIC** - **E**mloyer **R**esource **I**nformation **C**enter

- Register a new account
- Review and update account information
- File current or past due quarterly wage reports
- Amend previous wage reports
- Make payments
- Request refunds
- Leave messages for UC Tax

jfs.ohio.gov

Unemployment Insurance Tax Quarterly Reporting

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• Methods of Filing

- IVR
 - File "No Employment" reports only (No workers & no wages)
 - 1-866-44-UCTAX (1-866-448-2829)
- Ohio Business Gateway
 - www.ohiobusinessgateway.ohio.gov

Unemployment Insurance Tax Quarterly Reporting

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- **Online Filing Requirement**
 - What changed?
 - ✦ Ohio Administrative Code (OAC) Rule Revision - 4141-11-01
 - ✦ Effective date - January 1, 2018
 - ✦ Mandates Online Filing
 - Why require online filing?
 - ✦ Reduces the risk of confidential personal information being lost through US mail
 - ✦ Eliminates paper and portable media methods of reporting
 - ✦ Increases the accuracy of information posted to an account
 - ✦ Saves paper, postage, time

Unemployment Insurance Tax Quarterly Reporting

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- **How to transition from paper filing?**
 - Register for online access to ERIC or OBG
 - ✦ ERIC (Employer Resource Information Center) - jfs.ohio.gov
 - ✦ OBG (Ohio Business Gateway) - www.ohiobusinessgateway.ohio.gov
 - Download the Quarterly Wage Reporting Tool (QWRT)
 - ✦ QWRT is an offline tool designed to help employers and third-party administrators (TPAs) manage employee data and file quarterly unemployment tax reports
 - ✦ QWRT allows users to import data from other sources to generate quarterly unemployment insurance wage reporting files in a format that is accepted by ODJFS

Unemployment Insurance Tax Quarterly Reporting

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- **What Improvements Have We Made to Prepare for the Transition to Online Filing?**
 - A new employer welcome page with the most commonly used functions on one screen
 - Added the ability to import a spreadsheet
 - Technical upgrades to improve performance and security

Unemployment Insurance Tax Billings and Credits

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• Untimely Reporting Assessments

- Forfeiture
 - Assessed for untimely reporting
 - Equal to 0.25% times the total remuneration reported
 - Minimum of \$50 and a maximum of \$1,000 per untimely quarter
- Interest
 - Assessed on balances not paid by the due date (including charges and forfeiture) on the 1st of every month until the balance shown on the **Reimbursing Employer's Monthly Statement** is paid in full
 - Interest accrues at an annual rate of 14%, compounded monthly

Note: Ohio Law allows for the consideration of waivers of forfeiture and interest. Requests must be submitted to the agency in writing.

Unemployment Insurance Tax Billings and Credits

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• Credits

- Result from repayments of erroneously paid benefits or an offset of another claim
- Appear on the **Notice of Benefits Paid or Charged to Employer**, but do not appear on **Reimbursing Employer's Monthly Statement**
- Offset against charges issued for the month and are used to reduce a prior month's balance if the credit is larger than the current month's charges

Unemployment Insurance Tax Contact Information

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ERIC

jfs.ohio.gov

ASKERIC@jfs.ohio.gov

General Information

Finance: 614-466-2319, Option 1, Ext. 22482

Jennifer Tiller

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614-644-5202

Jenny Williams

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What Happens When Former Employees File?

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- Displaced workers apply online or by phone to a call center.
- Information is entered into the Ohio benefits system known as the Ohio Job Insurance (OJI) database.

Fact-Finding

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- A request for separation information is sent to the most recent **employer(s)**.
- The employer(s) has 10 days to respond.
- The employer response to fact-finding should provide thorough information for the separation to be properly adjudicated.

Monetary Requirements

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- The claimant must have a minimum of 20 weeks covered employment in the base period.
- There is a required minimum Average Weekly Wage for the base period weeks of covered employment. (In 2018, that minimum is \$256.)
- The claimant must be unemployed at the time of filing.
- There must be a qualifying separation; i.e. claimant was not discharged from recent employment for just cause nor quit without just cause.

Number of Benefit Weeks

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A claim is open for 52 weeks to withdraw from
20 to 26 weeks of basic benefits

<u>Qualifying Weeks</u>	<u>Benefit Weeks</u>
20	20
21	21
22	22
23	23
24	24
25	25
26 or more	26

2018 Maximum Weekly Benefits

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Class	# of Deps	Max WBA	Min AWW
A	0	\$443	\$ 886
B	1-2	\$537	\$1,074
C	3 +	\$598	\$1,196

Average Weekly Wage - \$256.00

Payments

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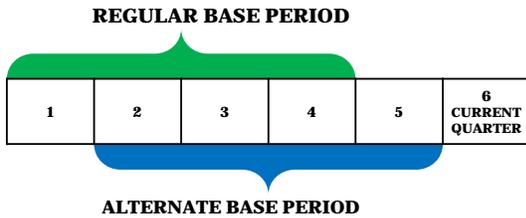
- Ohio law requires a one week waiting period to be served after filing the initial application.
 - A waiting week is the first claimed, payable week held back and not paid.
- The first benefit payment may be received within 3-4 weeks of the application, if the claim and the waiting week are allowed.

Nonmonetary Adjudication

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- If the reason for separation from employment is other than a lack of work layoff, Processing Center staff conduct fact-finding and adjudicate the separation issue.
- A written decision is sent to all interested parties whether the claim is allowed or denied.
 - **Interested Parties** (in addition to claimant) may include any official or authorized employee of the employer, the employer's attorney, or any other authorized representative (e.g., a third party administrator).

Base Periods



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Nonmonetary Adjudication

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- If the claim is allowed, it is still possible for weeks affected by an eligibility issue to be disallowed.
- If specific weeks are denied the employer may or may not be an interested party.
- All interested parties are given a 21-day appeal period.

Earnings - Example

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Based on a weekly benefit amount of \$200.00

Gross earnings for the week	\$ 95.23
Minus earnings exemption (20% of \$200.00)	- 40.00
Adjusted earnings	\$ 55.23
Weekly benefit amount	\$200.00
Minus adjusted earnings	- 55.23
Benefits paid (and potentially charged) are rounded to the nearest dollar.	\$144.00

Eligibility Notice

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- Any base period employer or subsequent employer who has knowledge of specific facts that affect any claimant's rights to receive benefits for any week may notify the department.
- In addition to deductible income, an eligibility notice could include information about a claimant's ability to work or availability for work.

Eligibility Notice Validity Requirements

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1. The information must be provided in writing.
2. The informant must have first-hand knowledge of the information.
3. The notice must provide the name and a method for contacting the informant and, if different, the source.
4. The notice must provide specific and detailed information that is potentially disqualifying.
5. The notice must appear to be reliable and credible.

Eligibility Notice Requirements

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- All five validity criteria must be met in order for the employer to be an interested party to a determination resulting from the issue that was raised.
- In addition to being valid, an eligibility notice must be timely.

Eligibility Notice

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Reporting Potential Claimant Eligibility Issue



Appeal Rights

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- Both the claimant and the employer receiving an unemployment determination are entitled to due process.
- If you disagree with an initial decision, you may file an appeal within 21 calendar days of the date the determination was issued.
- With that appeal, include the date of the determination, the determination ID number, and the reason(s) for disagreement.

Appeal Rights

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- Included in any determination are instructions on how to file an appeal.
- An appeal may be filed online at ***unemployment.ohio.gov***, by mail, or by fax and must be filed timely.
- Written notification will be sent to all interested parties upon receipt of an appeal.

Redetermination

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- If an interested party appeals an initial decision, a Redetermination decision is sent to all interested parties.
- There is a 21-day appeal period.

Further Levels Of Appeal

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- Unemployment Compensation Review Commission (UCRC) Hearing Officer
- UCRC for a full commission review
- The Court system

UCRC Hearing Officer

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- Once issued, a redetermination can be appealed.
- If further appealed, all interested parties will receive a notice of transfer to the UCRC.
- A request for an in-person hearing must be received within 10 days of the notice.
- Most hearings are conducted by telephone.

UCRC Hearing Officer

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- At the Hearing Officer level, you must attend the hearing and will be placed under oath.
- At that time, you should provide:
 - Any witnesses
 - Documentation
 - Relevant policies and procedures, etc.

Request for UCRC Review

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- A timely appeal can be instituted to the three member commission within 21 days of the redetermination decision.
- At the review level, the commission may affirm, modify, or reverse a hearing officer's decision or remand the decision to the hearing officer level for further hearing.

Court

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All subsequent appeals must be filed through the court system:

- Court of Common Pleas – No new evidence is allowed at this level
- Court of Appeal
- Ohio Supreme Court
- U.S. Supreme Court

Employer Charges Mutualized Account

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- Separate and apart from the accounts of the individual employers
- Based on a mutualized tax collected at a uniform rate from all contributory employers
- Benefits paid to claimants that are not properly chargeable to individual employers are deducted from this account.
- Under certain circumstances, an appeal is required to cause charges to be mutualized.
- *Remember – An Employer who is “Reimbursing” can ONLY have charges mutualized if a decision is received from a court ruling.*

Potential Fraud

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- 90% of fraud is detected by UC Wage Record and new hire cross match.
- 10% is due to eligibility tips and informers.
- Outstanding overpayments beyond 45 days of the final decision date are now certified to the Attorney General's office for more aggressive collection.

Thank you for attending
