

Virginia Unemployment Insurance Webinar

June 17, 2020

Business & Chambers Stakeholders Presentation



Overview of Unemployment Benefits

Benefit Type	Purpose	Duration	Additional Info
UI: Virginia Unemployment Insurance	Benefits ranging from \$60 to \$378 per week. Determined by wages earned during the applicable base period.	Varies from 12 to 26 weeks.	1-week waiting period and weekly job search requirements are currently suspended for those receiving UI.
PUA: Pandemic Unemployment Assistance	Provides a UI type benefit payment for individuals who are not eligible for traditional UI where the individual cannot work for a COVID-19 related reason. Benefits start at \$158 and will be adjusted based on earnings at a later date.	Available from January 27, 2020 through December 26, 2020. Lasts 39 weeks, including any week of UI already received.	Excludes individuals who can telework or are receiving paid sick leave or receiving regular UI benefits.
FPUC: Federal Pandemic Unemployment Compensation	Adds \$600 to all UI, PUA and PEUC benefit payment for which an individual qualifies.	Ends July 25, 2020.	Must receive at least \$1 in state or federal benefits.
PEUC: Pandemic Emergency Unemployment Compensation	Extends the length of UI by up to 13 weeks.	Applications and payments will begin in early July. Extension is available through December 26, 2020.	Individuals must have exhausted all other UI benefits.

Before the Pandemic vs. Today

	2019	Current
VEC Unemployment Claims	11,000/month	Over 300,000/month 822,300 since March 15
VEC Staff	432	640
Overtime Hours for UI	Less than 1,000 hours/month	Over 13,000 hours/month
VEC Call Center Employees	82	379 (and growing)
Benefit Claims Paid	Less than \$25 million per month	\$4 billion since March 15
Administrative Hearings	59,000+ conducted in 2019	80,000 currently pending

Claims Data For Week Ending June 6

- ▶ **822,300 initial claims** filed in the past 12 weeks, nearly equaling all initial claims filed from 2015 to mid-March 2020
- ▶ **29,231 initial claims filed last week**, a decline from the prior week
- ▶ **396,056 continued claims**, also a decline from the prior week
- ▶ **75 percent:** The percentage of all unemployment benefits claims resulting in payment by VEC during the pandemic
- ▶ **42 percent:** The previous all-time high percentage of unemployment benefits claims resulting in payment by VEC (Great Recession, 2007-2009)
- ▶ **91 percent:** The percentage of monetarily eligible claims resulting in payment within 14 days
- ▶ **80,000 pending administrative hearings**

Claims by Region as of June 6

Workforce Region	Initial Claims (Since Mar 1)	Labor Force	Population	Claims as a % of Labor Force
Alexandria/Arlington (LWIA XII)	28,439	260,421	396,270	10.9%
Bay Consortium - Fredericksburg, Stafford, Accomack, Spotsylvania, Eastern Shore and Northern Neck (LWIA XIII)	41,089	255,146	523,998	16.1%
Capital Region Workforce Partnership - Richmond, Chesterfield, Henrico, Hanover (LWIA IX)	106,709	595,427	1,105,281	17.9%
Crater Area - Petersburg, Prince George, Sussex, Surry, Emporia (LWIA XV)	17,460	73,991	172,405	23.6%
Greater Peninsula - Hampton, Newport News, Williamsburg, Gloucester (LWIA XIV)	54,608	252,405	523,111	21.6%
Hampton Roads - Chesapeake, Norfolk, Virginia Beach, Suffolk, Portsmouth (LWIA XVI)	116,558	577,657	1,186,764	20.2%
New River/Mt. Rogers - Radford, Wythville, Bristol 81 Corridor (LWIA II)	27,801	175,950	370,538	15.8%
Northern Virginia - Fairfax, Prince William, Loudoun, Manassas (LWIA XI)	191,217	1,171,195	2,128,604	16.3%
Piedmont Workforce Network - Albemarle, Charlottesville, Fauquier (LWIA VI)	33,738	228,404	437,715	14.8%
Region 2000/Central VA - Lynchburg, Amherst, Appomattox, Bedford (LWIA VII)	19,302	123,507	263,566	15.6%
Shenandoah Valley - Winchester, Rockingham, Augusta, Harrisonburg (LWIA IV)	42,685	273,823	540,610	15.6%
South Central - South Boston, Halifax, Mecklenburg, Brunswick (LWIA VIII)	10,584	79,409	183,064	13.3%
Southwestern Virginia - Norton, Tazewell, Wise, Gate City (LWIA I)	9,559	68,997	188,856	13.9%
West Piedmont - Danville, Martinsville, Henry (LWIA XVII)	18,174	84,840	181,117	21.4%
Western Virginia - Roanoke, Franklin, Botetourt, Covington (LWIA III)	29,498	165,176	333,620	17.9%

75% of Claims Paid - 25% Have Issues. Why?

► Monetary Eligibility

- Claimant did not earn \$3,000 in two quarters of the base period.

► Separation Qualification Requirement

- Claimant voluntarily quit.
- Claimant took a leave of absence.
- Claimant was terminated for misconduct.
- Any separation from employment that was not due to a layoff or furlough generally requires fact finding and a determination issued.

75% of Claims Paid - 25% Have Issues. Why?

► Weekly Certification

- Claimant has not filed a weekly certification.
- Claimant is not be able to work and is not available for work.
- Claimant refused an offer of suitable work.
- Claimant did not obtain job offer due to failure of a drug test.
- Claimant reported a return to work date.
- Claimant reported wages that were equal or exceeded the weekly benefit amount.
- Claimant has exhausted for the benefit year prior to the pandemic.
- Claimant has previously been disqualified during his/her current benefit year.

Employer Reports to file with VEC

- ▶ Reports need to be filed by all Employers on the VEC website:
 - Report of separation of employment
 - Report of wages paid
 - Report rehiring of furloughed or laid off workers
 - Report employees' refusal to return to work
- ▶ The forms on the site provide a way to report information to the Virginia Employment Commission (VEC) that is necessary as benefits are administered.
- ▶ The forms will require detailed information that the VEC will use to determine actions on a claim for benefits.

Administrative Hearing Process - 80,000+ pending

- ▶ At the time a claim is filed, a request for information is mailed to the last thirty-day or 240 hour employer. This form is called “Employer’s Report of Separation and Wage Information.” It should be completed and returned by the return date shown on the form.
- ▶ In most cases, including interstate cases, appeal hearings are conducted by telephone.
- ▶ Claimants and employers who have received unfavorable deputy determinations have the right to appeal. Claimants dissatisfied with monetary determinations also have the right to appeal.
- ▶ The parties to an appeal are the claimant, the claimant's last 30-day/240 hour employer and any subsequent employer for whom the claimant has worked before filing the claim.
- ▶ Hearings are informal; however, all testimony is taken under oath and an official record is made of all testimony and exhibits introduced into evidence.
- ▶ An appeals examiner will preside over the hearing to ensure all parties are granted a reasonable opportunity for a hearing.
- ▶ Each party will be given the opportunity to present evidence, to subpoena and question witnesses, to review all documentation and exhibits offered into evidence and to make arguments on their behalf.
- ▶ If you do not wish to participate, your written statement will be considered in determining eligibility.

Returning to Work

- ▶ The requirement for individuals to seek and apply for work while receiving unemployment benefits is currently waived except for PEUC.
- ▶ Individuals called back to work by an employer generally must return to work.
- ▶ If individual refuses an offer to return to work, VEC will need to make a ruling to determine if benefit payments can continue. Individuals are encouraged to obtain a doctor's note and provide it to the hearing officer (VEC). This requires an administrative hearing.
- ▶ If individual refuses an offer to return to work due to lack of child care, VEC will need to review and make a ruling regarding benefits payments. This requires an administrative hearing.
- ▶ VEC is required to follow processes outlined in state and federal law and through guidance provided by executive agencies.
- ▶ 80,000+ administrative hearings are pending; with 11,000+ relate to job refusal.
- ▶ There are currently more than 400,000 open jobs listed on the Virginia Workforce Connection.

Unemployment Insurance Tax

- ▶ There are three components that make up Virginia's unemployment insurance tax:
 - The first is the base tax rate which is experience rated and unique to each employer depending on their individual loss history.
 - The second is the pool charge, which is the socialization across all covered employers of all benefit charges that cannot be charged to individual employers.
 - The final component is the fund builder, which is imposed on all covered employers when the trust fund balance factor defined in Code Section 60.2-533 falls to or below 50%. The fund builder assessment is an additional 2%. Employers also pay federal unemployment tax of \$420 per employee.
 - Because Virginia's unemployment laws conform to federal law, Virginia employers receive a 90% reduction in their federal unemployment tax. If Virginia borrows from the federal government and does not repay within the terms set by the federal government, the Commonwealth could be considered out of conformity and our employers would lose this reduction.

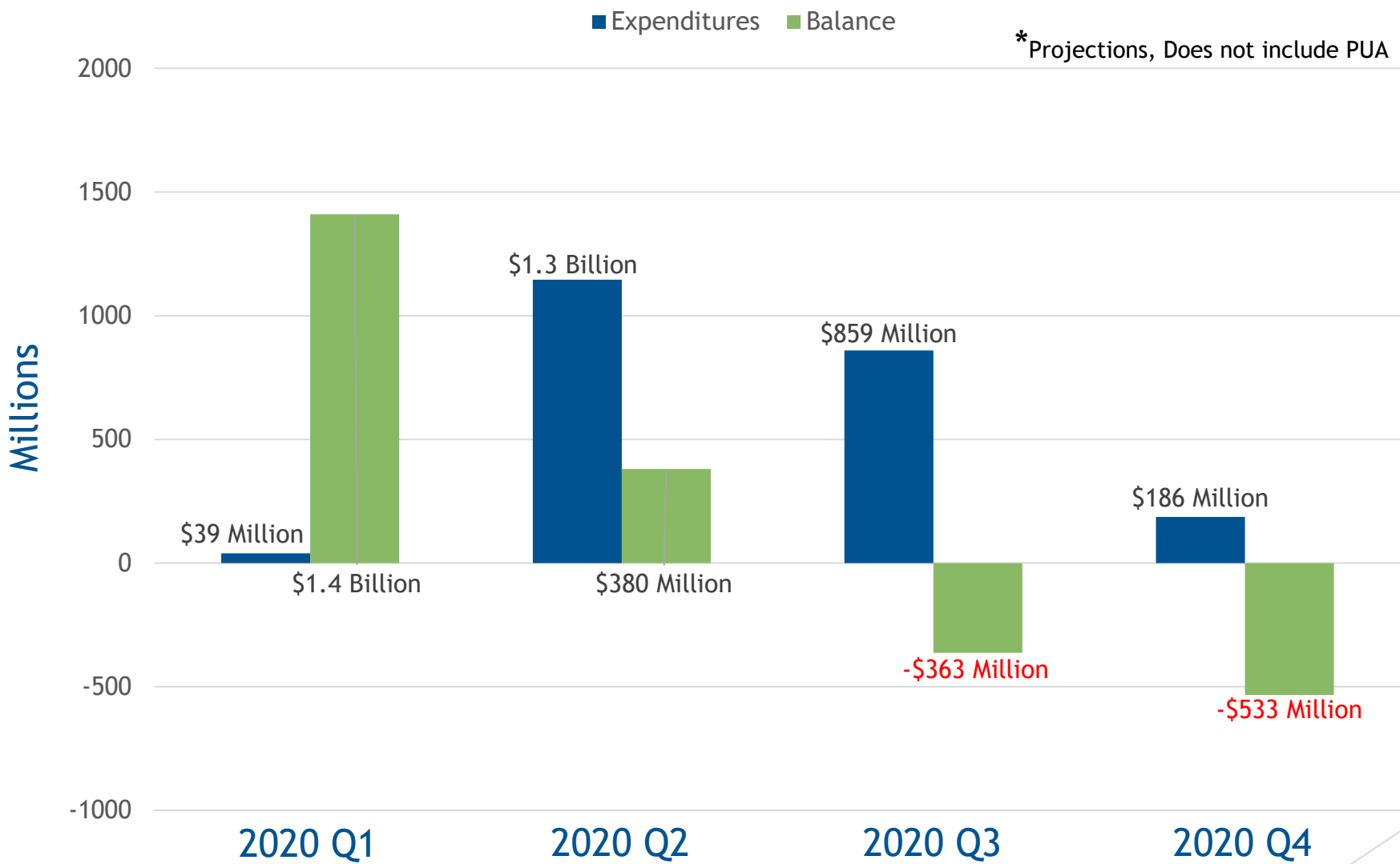
Unemployment Insurance Tax Forecasts

- ▶ Below are the forecasts for average Virginia unemployment tax rates under low end and high end scenarios.
- ▶ These projections are based on certain modeling assumptions that may change given the fluid nature of the COVID-19 crisis circumstances.
- ▶ These are average rates and individual employers' rates will vary, but could reach as much as \$550 per employee, for employers that become rated at the maximum of 6.20%.
- ▶ For context, the average tax rate paid by Virginia employers in 2020 is 0.87% which equates to \$69.92 per employee. There is currently no fund builder tax imposed and the pool charge is so small that it does not impact employers taxes.

Low End	Fund Builder		POOL		AVG Tax		Tax Per Emp
2021	0.20%	\$ 16.00	0.531%	\$42.45	1.78%	\$142.11	\$200.56
2022	0.20%	\$ 16.00	0.534%	\$42.73	1.70%	\$136.38	\$195.11
2023	0.20%	\$ 16.00	0.526%	\$42.10	1.48%	\$118.58	\$176.68

High End	Fund Builder		POOL		AVG Tax		Tax Per Emp
2021	0.20%	\$ 16.00	0.531%	\$42.45	2.22%	\$177.60	\$236.05
2022	0.20%	\$ 16.00	0.534%	\$42.73	2.35%	\$187.60	\$246.33
2023	0.20%	\$ 16.00	0.526%	\$42.10	2.34%	\$187.40	\$245.50

VEC Trust Fund Expenditures and Balance*



Working Together for Virginia

► VEC Resources

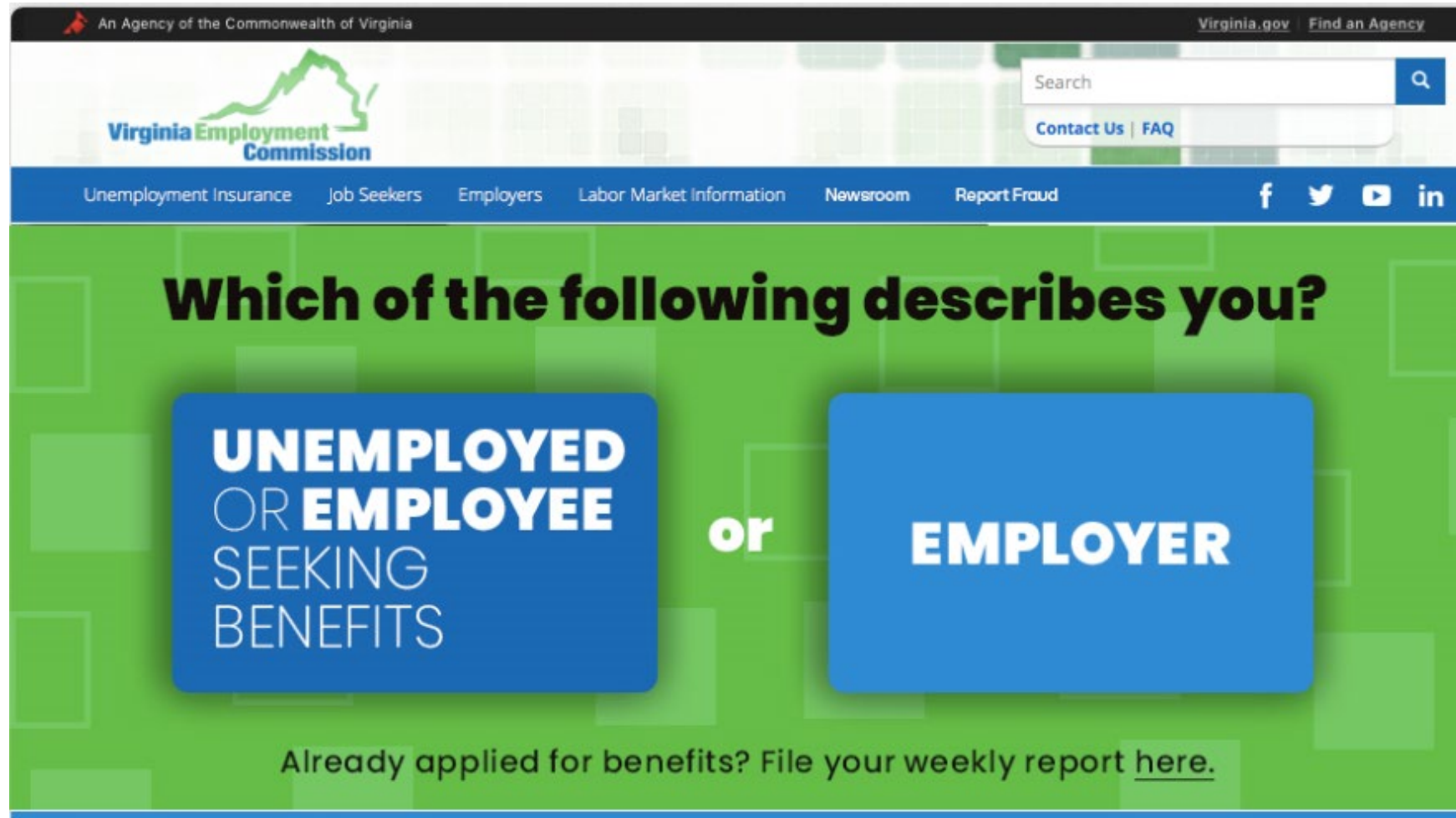
- Updating VEC website for clearer instructions.
- Re-opening our Comprehensive Career Works Centers soon for in-person appointments.
- List of Comprehensive Career Works Centers and services offered at these locations.

► What you can do to help VEC?

- Consider sharing our VEC updates in your newsletters.
- Consider sharing our VEC social media updates with members.
- Our team can assist you with media inquiries on these issues. Please email MediaRequests@vec.virginia.gov.



Updated VEC Website Coming Soon



Info Materials for Your Members

Eligibility For Unemployment Benefits

The Virginia Employment Commission (VEC) administers unemployment benefits to individuals who become unemployed through no fault of their own and are covered under the Virginia Unemployment Compensation Act. There are certain requirements.

Not every applicant will qualify to receive unemployment benefits.

Below is a summary of eligibility standards.

- **Place of Employment:** Applicants should file for unemployment benefits if they were laid off or discharged from their job but worked for an employer outside of Virginia.
- **Monetary Qualification:** Did the applicant earn enough wages to be eligible for Virginia unemployment benefits?
 - » An individual's monetary qualification is based on the amount of wages earned in the base period. The base period is the first four completed calendar quarters before the week of unemployment. A person must earn at least \$3,000 in the base period.
 - * Example: If an individual filed a claim for unemployment benefits for the week ending September 30, 2019, and October 7, 2019, the base period would be from July 1, 2018, to June 30, 2019.
- **Separation Qualification:** If the applicant was laid off or discharged from their job, they must be eligible for Virginia unemployment benefits.
 - » Applicants typically must have been laid off or discharged for another reason, not for cause, and the applicant and their employer do not have a pending lawsuit.
- **Earned Income:** If an applicant lost a job, they must have earned enough wages to be eligible for unemployment benefits. The weekly benefit amount is based on the applicant's earnings in the base period.
- **Weekly Eligibility Qualification:** Individuals must be able and available to accept full-time work. There is a variety of [weekly eligibility requirements](#).

For more details on eligibility, qualifications and requirements, visit <https://www.vec.virginia.gov/unemployed/C>

Navigating the Unemployment Insurance Process During the COVID-19 Pandemic



The type of job an applicant held prior to their work status change will determine next steps in the application process. Currently, qualifying individuals seeking unemployment benefits would typically fall under one of two categories:

A traditional employee who receives a W2, individuals recently separated from the military or federal government.

This applicant is filing an application through the [state Unemployment Insurance program](#).

After filing the Virginia application, the applicant will receive a Monetary Determination letter by mail in about one week. This indicates the financial benefit for which an applicant could qualify. It does not guarantee the applicant will receive Unemployment Insurance benefits.

The applicant must file a state unemployment certification each week (recommended on Sunday, Monday or Tuesday) preferably by calling the voice response number 800-897-5630, or they may fill out the weekly [Continuing Claim Form](#) online, for the prior week. This weekly process should be followed as long as the applicant is unemployed.

Any applicant who is eligible to receive any amount of state Unemployment Insurance or Pandemic Unemployment Assistance will automatically qualify for an additional \$600/week (Federal Pandemic Unemployment Compensation, or FPUC). The last payable week for FPUC is the week ending July 25, 2020.

A 1099 employee, independent contractor, self-employed individual, "gig" employee or employee who worked for an employer who did not participate in the Unemployment Insurance program (if the employee doesn't know, he/she will need to ask the employer if it participated in Virginia's Unemployment Insurance program).

This applicant will file two applications: The first will be through the [state Unemployment Insurance program](#); the second application will be for Pandemic Unemployment Assistance, provided through the federal CARES Act for individuals who don't typically qualify for state unemployment benefits.

After filing the Virginia application, the applicant will receive a Monetary Determination letter that may deny benefits under the regular UI program. You may receive a text or voice message that says you have a \$0 Monetary Determination and provides directions to apply for [Pandemic Unemployment Assistance \(PUA\)](#). If you don't receive a message, please wait for a Monetary Determination letter in the mail. Please know that it is crucial that the VEC determine that the regular state UI claim is not valid in order to justify accepting the PUA application.

The applicant must visit <https://web.getgov2go.com/> or call 866-832-2363 each week (recommended on Sunday, Monday or Tuesday) to fill out a weekly Continuing Claim Form for the prior week as long as the applicant is unemployed.

Any applicant who is eligible to receive any amount of state Unemployment Insurance or Pandemic Unemployment Assistance will automatically qualify for an additional \$600/week (Federal Pandemic Unemployment Compensation, or FPUC). The last payable week for FPUC is the week ending July 25, 2020.



Contact Information

VEC Contacts for Member Concerns

- ▶ Please Reach Out to Your Local Office to help answer individual questions.
- ▶ Phone Number to initially file for UI benefits - 1 (866) 832-2363
- ▶ Phone Number to file weekly UI certifications - 1 (800) 897-5630
- ▶ Link to local VEC offices - <https://www.vec.virginia.gov/find-a-job/vec-local-offices>

Capital Results Contacts for newsletters, social media assistance or media inquiries:

- ▶ Bea Gonzalez - bea@capresults.net
- ▶ Ted Kefalas - ted@capresults.net

