

Virginia Unemployment Insurance Webinar

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July 1, 2020

VACO 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 July 6. 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 877,300 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	403(and growing)
Benefit Claims Paid	Less than \$25 million per month	\$5 billion since March 15
Administrative Hearings	59,000+ conducted in 2019	80,000 currently pending

Claims Data For Week Ending June 20

- ▶ **874,779 initial claims** filed since March 1, nearly equaling all initial claims filed from 2015 to mid-March 2020
- ▶ **25,293 initial claims** filed last week, a decline 1,893 from the prior week
- ▶ **375,579 continued claims**, a decline of 11,000 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 20

Workforce Region	Initial Claims (Since Mar 1)	Labor Force	Population	Claims as a % of Labor Force
Alexandria/Arlington (LWIA XII)	29,945	260,421	396,270	11.50%
Bay Consortium - Fredericksburg, Stafford, Accomack, Spotsylvania, Eastern Shore and Northern Neck (LWIA XIII)	43,324	255,146	523,998	16.98%
Capital Region Workforce Partnership - Richmond, Chesterfield, Henrico, Hanover (LWIA IX)	112,922	595,427	1,105,281	18.96%
Crater Area - Petersburg, Prince George, Sussex, Surry, Emporia (LWIA XV)	19,025	73,991	172,405	25.71%
Greater Peninsula - Hampton, Newport News, Williamsburg, Gloucester (LWIA XIV)	58,307	252,405	523,111	23.10%
Hampton Roads - Chesapeake, Norfolk, Virginia Beach, Suffolk, Portsmouth (LWIA XVI)	125,051	577,657	1,186,764	21.65%
New River/Mt. Rogers - Radford, Wythville, Bristol 81 Corridor (LWIA II)	29,261	175,950	370,538	16.63%
Northern Virginia - Fairfax, Prince William, Loudoun, Manassas (LWIA XI)	200,069	1,171,195	2,128,604	17.08%
Piedmont Workforce Network - Albemarle, Charlottesville, Fauquier (LWIA VI)	35,203	228,404	437,715	15.41%
Region 2000/Central VA - Lynchburg, Amherst, Appomattox, Bedford (LWIA VII)	20,329	123,507	263,566	16.46%
Shenandoah Valley - Winchester, Rockingham, Augusta, Harrisonburg (LWIA IV)	44,535	273,823	540,610	16.26%
South Central - South Boston, Halifax, Mecklenburg, Brunswick (LWIA VIII)	11,367	79,409	183,064	14.31%
Southwestern Virginia - Norton, Tazewell, Wise, Gate City (LWIA I)	10,147	68,997	188,856	14.71%
West Piedmont - Danville, Martinsville, Henry (LWIA XVII)	19,249	84,840	181,117	22.69%
Western Virginia - Roanoke, Franklin, Botetourt, Covington (LWIA III)	31,132	165,176	333,620	18.85%



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.

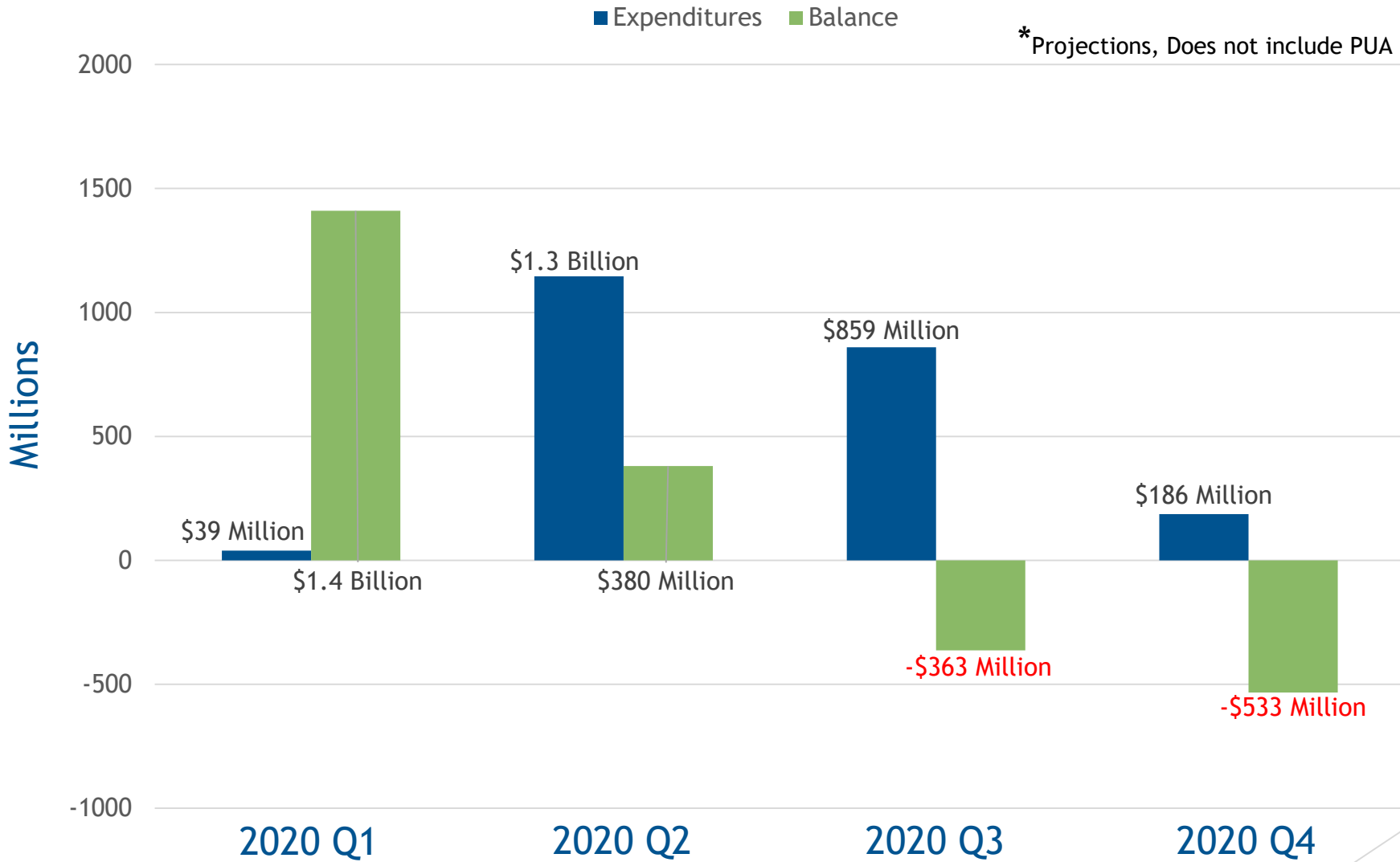
Unemployment Insurance Tax Forecasts

- ▶ 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

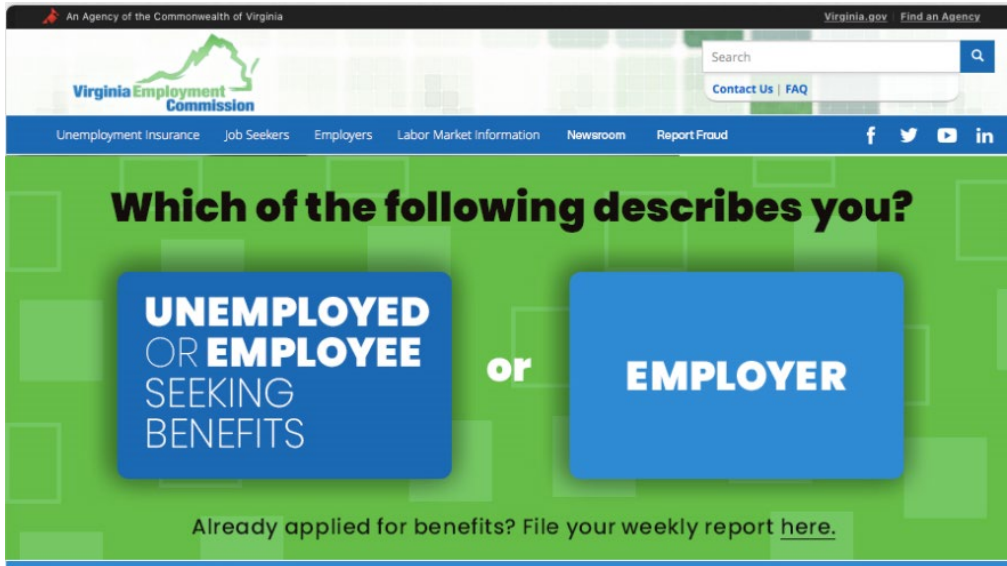
▶ VEC Resources

- 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 is now LIVE



Employers

As the economy reopens, I need to...

REPORT AN EMPLOYEE

who refuses to return to work from a furlough

REPORT PAYING WAGES

for an employee who has filed for Unemployment Insurance benefits

REPORT REHIRING

an employee who has filed for Unemployment Insurance benefits

Quarterly Tax Filings and Other Employer Resources

Apply for Benefits

You may be eligible for Unemployment Insurance benefits if you have been laid off, furloughed, had hours reduced, or cannot return to work due to circumstances related to COVID-19.

Note: Not everyone qualifies for Unemployment Insurance (UI) benefits. There are many variables in determining eligibility.

PLEASE CHOOSE ONE OF THE FOLLOWING

I AM...

- A 1099 employee
- An independent contractor
- Self-employed
- A "gig" employee
- Employed by or recently separated from an employer that does not participate in Virginia's Unemployment Insurance program

I AM...

- A traditional employee who receives a W2
- Recently discharged from the military
- Relocated to follow a military spouse

If you have been notified by VEC that you don't qualify for state Unemployment Insurance benefits but are eligible for Pandemic Unemployment Assistance, click [here](#).

Note: If you received a letter in the past 12 months saying that you exhausted your Unemployment Insurance benefits, please stay tuned. An Unemployment Insurance benefit extension program is anticipated to launch by early July.



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 their application with the VEC where they worked but worked for an employer outside of Virginia to receive unemployment insurance benefits.
- **Monetary Qualification:** Did the applicant earn enough wages to be eligible for Virginia unemployment benefits?
 - » An individual's monetary qualification is based on their earnings while unemployed. The base period is the first 12 months before the week the individual files a claim. A person must earn at least \$3,000 during the base period.
 - * Example: If an individual filed a claim for the individual's base period from September 30, 2019, and October 30, 2020.
- **Separation Qualification:** If the applicant was laid off or discharged from Virginia unemployment benefits.
 - » Applicants typically must have separated from their employer for a reason other than being discharged for cause, the applicant and their employer do not have a written agreement that the applicant will be rehired by the employer.
- **Earned Income:** If an applicant lost a job, the applicant's earnings must not exceed the weekly benefit for which he or she is applying for unemployment benefits.
- **Weekly Eligibility Qualification:** Individuals must meet a variety of [weekly eligibility requirements](#).

For more details on eligibility, qualifications and application process, 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:



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>

Contacts for collateral materials, newsletters, social media assistance or media inquiries:

- ▶ Bea Gonzalez - bea@capresults.net