



What to Expect from the New Unemployment Insurance Law for Employers (Revised 3/8/11)

The Indiana General Assembly recently passed Unemployment Insurance (UI) legislation that will have an immediate effect on your premium rate. The information below details the changes.

New Premium Rate Notices Issued to Employers in March

Hoosier merit rate employers will receive a notice of rate modification with their new 2011 applied rate. The applied rate is the new schedule E rate and the interest surcharge. If you have not received a notice by March 31, please contact DWD at 1-800-437-9136. Replacement copies will not be issued before April 1.

Schedule Change

Premium rates will be reduced from the initial calculation sent to employers earlier this year. The new law moves the premium rate schedule from Schedule B to Schedule E through the year 2020, resulting in lower rates. Directions on how to estimate your new rate are available at www.in.gov/dwd/2558.htm.

Surcharge Payments

The new law creates an employer surcharge to pay the interest due on the trust fund loan from the federal government. The surcharge for 2011 is 13% of your premium. This will be included in the notice mailed to you by the Department of Workforce Development.

The surcharge should be calculated on the quarterly contribution report (UC1) using the applied rate provided by the agency.

Surcharge payments will not be applied to your experience balance.

Voluntary Contributions

Employers who made a voluntary payment in December will receive credit. There will not be an additional opportunity to buy down the rate until 2012.

Upcoming Changes to Unemployment Insurance Benefits

Eligibility

The following individuals who become unemployed on or after July 1, 2011 will not be eligible for benefits;

- People who work on an on-call or as-needed basis (when they are offered work for the week)
- Workers employed at a business during a planned short-term shutdown
- Employees of head start programs who are on planned breaks such as summer vacation.

Severance Pay

Beginning October 1, 2011, the amount received in severance pay will be deducted from unemployment insurance benefits. For example, if a claimant is eligible for \$300 a week in UI benefits and receives \$200 a week in severance pay, the severance pay will be deducted from the claimant's weekly UI benefit. The claimant will collect \$200 in severance pay and \$100 in UI benefits.

Pension, Retirement, Annuity Distributions

Beginning July 1, 2011, distributions from pension, retirement or annuity plans will not be counted as "deductible income".

Voluntary Buyout

On or after October 1, 2011, employees who accept a voluntary buyout to resign or retire are no longer eligible for unemployment insurance.

Benefit Calculation

New claims filed on or after July 1, 2012 will be calculated based on your annual income. The maximum weekly benefit amount will remain \$390.