

Indiana Unemployment Insurance

EMPLOYER FREQUENTLY ASKED QUESTIONS for COVID-19 work-related issues

Updated April 1, 2021

Q1. If I lay people off due to COVID-19, will it affect my Merit rate / tax rate next year?

A1. Contributory employers are not charged for separations between March 13, 2020 and 10/31/2020 at the individual employer account level. DWD has relieved all charges to date for the relevant period. Relief of charges is reflected on the November Statement of Benefit Charges available via ESS. Calendar year 2020 relieved charges will be mutualized for calendar year 2022 rating purposes. For additional information on mutualized charges, please see the Employer Handbook.

Q2. Is DWD going to waive penalties and interest for late filing of Quarterly Wage reports and for contribution payments first quarter 2020?

A2. Yes. DWD waived penalties and interest for 31 days. First quarter 2020 payments made on or before 05/31/2020 were not assessed any penalty or interest.

Q3. If I lay-off workers and pay their healthcare insurance coverage through COBRA, how does that impact unemployment insurance (UI) benefits?

A3. If you pay for your employees' COBRA coverage, this is considered deductible income and must be reported to DWD and could impact the amount of UI benefits a claimant is eligible to receive.

Q4. If I reduce my employees' hours but they are still employed, are they still eligible for UI benefits?

A4: They may be eligible for benefits, but part-time employment during the week claimed will reduce the amount of benefits paid for that week. If employees do work while receiving benefits, those employees must report any money earned on the voucher for the week they worked (not the week they ultimately get paid for the work). Failure to report money they earned is fraud and can result in denial of benefits, collections actions, and criminal prosecution. If an employee earned wages from a Base Period Employer, then a dollar-for-dollar deduction will be taken from his/her Weekly Benefit Amount (WBA). If the employee earned wages from an employer who is NOT on his/her Monetary Determination of Eligibility or Base Period, then the following calculation applies. If he/she earns 20% or less of their WBA from an employer that is not listed on their Monetary Determination of Eligibility, no deduction will be made from their benefit payment. If he/she earns more than 20% of their WBA from an employer that is not listed on their Monetary Determination of Eligibility, a dollar-for-dollar deduction will be made from their benefit payment for all wages earned in excess of 20% of their WBA. If he/she works odd jobs for anyone other than their base period employer(s), a dollar-for-dollar deduction will be made after an amount equal to 20% of their weekly benefit amount has been earned.

Q5. If I pay my employees a bonus during the period of separation, will they be eligible for UI benefits?

A5. Maybe. If you make payments to your employees while they are collecting UI, they may have to declare the payment as deductible income. Sick pay, vacation pay, severance pay, payment in lieu of notice, and holiday pay are all deductible income for the claimant. Bonuses are wages for tax purposes, but they are not deductible income for the claimant, thus they do not impact the employee's UI benefits.

Q6. If my employees are independent contractors or I am self-employed, are regular unemployment insurance benefits available?

A6. No. Independent contractors and the self-employed are not engaged in covered employment for the purposes of UI, so Unemployment Insurance benefits would not be available. PUA benefits may be available. Please refer to the COVID-19 Claimant FAQs for additional information on PUA for claimants. On a PUA claim, there is no covered employer charging or reimbursement. PUA is not a state chargeable unemployment benefit.

Q7. If I am a church or church daycare, will my workers be eligible for UI benefits?

A7. No, employees of churches and church daycares are not engaged in covered employment, for the purposes of UI, so Unemployment Insurance benefits would not be available. PUA benefits may be available. Please refer to the COVID-19 Claimant FAQs for additional information on PUA for claimants. On a PUA claim, there is no covered employer charging or reimbursement. PUA is not a state chargeable unemployment benefit.

Q8. Is the one-week waiting period for UI benefits being waived?

A8. Yes. The one-week waiting period for payment of UI was waived by the Governor's Executive Order on March 26, 2020. Waiver of the waiting week does not affect the total amount that employers can be charged in a claim.

Q9. Can I receive and respond to UI claims electronically?

A9. Yes. For additional information about the DWD SIDES E-Response program, go to <https://www.in.gov/dwd/sides.htm>.

Q10. How can an employer file an appeal if they do not have access to a fax machine?

A10. If you receive a base period separation notice, 640R, and the workers are applying for UI benefits due to a COVID-19 layoff, you do not need to respond. Only complete and return the Unemployment Insurance Protest (Employer) form, 640P, if the reason for separation is Quit or Discharged for Cause. If you cannot fax any required 640P, you may mail the form to:

Indiana Department of Workforce Development
10 North Senate Ave. SE 005 Attn: 640P
Indianapolis, IN 46204

If you are responding to a Determination of Eligibility and you do not have access to a fax machine, you may file an appeal by mailing your appeal to:

Indiana Department of Workforce Development
10 North Senate Ave. Attn: Appeals Department
Indianapolis, IN 46204

For more information on filing your appeal, please go to the Indiana DWD website
<https://www.in.gov/dwd/2356.htm>

Q11. Do I have to provide information on unemployment insurance to my employees prior to lay off or separation from employment?

A11. Yes, you have a legal obligation to provide unemployment insurance benefits information prior to layoff or separation from employment. This notice can be provided to your employees as a letter, email, text message, or flyer/poster. DWD is asking for assistance from employers. If you have the means to assist your employees by allowing them to file from a computer from your business, please assist as you can. Any assistance you can provide in getting these important benefits to your employees is greatly appreciated.

Below is approved language:

Unemployment Insurance (UI) benefits are available to workers who are unemployed and who meet the requirements of state UI eligibility laws. You may file a UI claim in the first week that employment stops or work hours are reduced.

For assistance or more information about filing a UI claim or questions about the status of your UI claim once filed, visit www.Unemployment.IN.gov. You will need to provide the state UI agency with the following information in order for the state to process your claim:

- A valid email account – your email address will become your Uplink Username.
- Driver's license or valid ID, address, Social Security number, date of birth and phone number.
- Last employer's name, mailing address, phone number, dates of employment and reason you are unemployed.
- Bank routing number and account number if choosing direct deposit as your payment option (NOTE: Key2Benefits prepaid MasterCard® is also available).

Q12. I laid off employees due to COVID-19, and they are collecting unemployment insurance benefits. If I recall those employees and they refuse to return to work, can I report this to DWD?

A12. Yes, employers can complete the Notice of Work Recall Refusal (Employer), State Form 56951, found at this link: <https://www.Unemployment.IN.gov>. DWD will then evaluate the reasons for refusal and make a determination on continued eligibility for unemployment insurance benefits.

Q13. I am a small business and received a PPP loan to maintain payroll. If I pay my employees full or partial wages with the PPP loan, will this impact their unemployment insurance benefits?

A13. Yes. If an employee is receiving wages from their employer, whether the wages come from a PPP loan or elsewhere, the employee must disclose the wages to DWD on the weekly voucher. The wages will impact the weekly benefit amount.

Q14. What can employers do to make it easier for employees to file successful claims?

A14. Employers can assist by alerting their employees to file online, to review all materials on <http://www.Unemployment.IN.gov> regarding claim filing, and to be patient as it will take at least 21 days for a decision to be made on the unemployment insurance claim if there are no issues on the claim. If there are issues, this will be noted in the online system, Uplink CSS. A DWD Claims Investigator will review the issues and may need to contact the employee and employer to make a determination. These decisions can take longer than 21 days to resolve. See the COVID-19 Claimant FAQs, #24-25.

Q15. How will the 50% reimbursement work for employers that elected to make payments in lieu of contribution (i.e. are reimbursing)?

A15. Beginning in May 2020, reimbursing employers have been credited for 50% of the payments made in the prior month where the payment was related to a COVID-19 week ending. The credit is reflected on their current month's invoice. Although the CARES Act was updated three months after being authorized to allow for pre-invoice credits, DWD had promptly implemented the Act as originally approved. **DWD is in the process of implementing the full 50% credit for all charges invoiced and will be providing the 75% credit for applicable weeks as soon as the programming changes in UPLINK can be made.**

Q16. Will merit rates be delayed due to COVID-19?

A16. **Merit rate notices were made available in UPLINK through the Correspondence History menu on 12/23/2020 with hard-copies following in the mail on 01/11/2021.**

Q17. Is Indiana borrowing to pay unemployment benefits?

A17. **No. Indiana borrowed during 2020, but repaid the advances before 12/31/2020.**