



UNEMPLOYMENT BENEFIT FAQs

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Among the hardest areas for employers to deal with during this COVID-19 crisis is being forced to lay-off employees – first and foremost based on the human element, and then secondarily navigating issues relating to the unemployment system, which they may have infrequent experience with, and certainly no experience during times of a pandemic. Recently, the Illinois Department of Employment Security (“IDES”) issued guidance, by way of frequently asked questions, to aid employers. Much of the guidance confirms the advice that we have been providing to clients (based on our anticipation of how the IDES would resolve certain issues), while also clarifying additional points. Among the highlights:

- Unemployment benefits are available to any individual who is unemployed through no fault of their own (including laid off due to the COVID-19 outbreak or whose business was ordered closed by the Governor) and who meet all eligibility requirements.
- Generally unemployment benefits are not available for individuals who impose a self-quarantine because of COVID-19, or are ill because of COVID-19 and unable to work.
- An employee whose hours of work are temporarily reduced may be able to receive benefits if they meet the minimum monetary eligibility requirements.
- An employee who is unemployed for a week could be eligible for benefits, even if he or she is scheduled to return to work the next week, then off the next, and so on. This has frequently occurred in cases of furloughs.
- An employee who is receiving only part of their salary or wage that is less than their unemployment weekly benefit amount may be considered partially unemployed and would be eligible.
- An employer's payment of COBRA or health/dental/eyecare premiums is not considered to be wages for purposes of determining unemployment benefits and will not disqualify an

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employee from receiving benefits.

- If an employer makes an offer to re-hire an employee, the employee refuses, and the employee remains on unemployment insurance, the employer should file notice with IDES.
- Employers concerned about not receiving notice of claims (due to shelter in place) can securely respond to a notice of claim electronically by signing up as follows: login to your illinois.gov account and click on the "Unemployment Insurance" tab or go to www.ides.illinois.gov/SIDES for step-by-step information.
- If an employee was temporarily or permanently laid off and you believe there is no reason for disqualification, you may choose to not respond to the notice, but if you do wish to protest a claim, you still only have 10 days to do so.

The IDES further noted that at this time, the law has not been changed to give employers extra time for filing monthly or quarterly wage reports. However, employers are reminded that they can file a written request with the Director prior to the wage report filing due date to ask for an extension to file the wage report. The maximum extension for filing a monthly wage report is 15 days. The maximum extension for filing a quarterly wage report is 30 days. In order to make the request for an extension, the employer must state a reason for the request. Employers are encouraged to file their requests for extension via the MyTax website.

Last, many clients have also inquired as to how laying off employees would affect their unemployment rating. The IDES noted: "For regular unemployment compensation, employers generally contribute to the cost of benefits for their former employees. The contribution rate of an experience-rated employer is based, in part, on the amount of unemployment benefits paid to the employer's former employees, so this rate may rise when an employer furloughs or lays off employees due to COVID-19. If legislation is passed making claims related to COVID-19 non-chargeable to the employer, then employers furloughing or laying off workers due solely to COVID-19 would not be required to contribute to the benefit costs, and the costs would be 'pooled' between all employers. This would likely result in increased unemployment tax rates in future years for all employers because the entire pool of employers would need to be tasked with replenishing the benefit trust fund."

A full list of the IDES' guidance can be found here:

<https://www2.illinois.gov/ides/IDES%20Forms%20and%20Publications/Covid19-FAQ-Employer.pdf>