


# UNEMPLOYMENT INSURANCE



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## WHAT IS THE UI INSURANCE PROGRAM?

Unemployment Insurance (UI) laws are intended to:

- Provide a source of income to those temporarily unemployed through no fault of their own.
- Provides weekly benefits to eligible unemployed workers.

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## HOW IS THE UI PROGRAM FINANCED?

- Jointly through federal and state employer payroll taxes.
- Federal (FUTA) is used for administrative expenses and costs related to extended benefits.
- State is used only to pay benefits to unemployed workers.

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**REIMBURSEMENT FINANCING**

- Governmental units can choose between the tax and reimbursement methods of financing.
- Accounts for governmental units are initially set up on the reimbursement financing method but tax financing can be elected.

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**ELIGIBILITY FOR UI**

- Available to employees with sufficient work history whose employment was terminated through no fault of their own.

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**COMMON REASONS FOR INELIGIBILITY**

- Quit a job without good cause
- Termination for misconduct
- Termination for substantial fault

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### SOME COMMON DISQUALIFICATIONS

- Refusal to work without good cause
- Failure to make an acceptable work search
- Do not work hours available during a week
- Unable to work or unavailable to work in a week
- Not able to work because of a strike or other labor dispute
- Are receiving Social Security Disability (SSDI) payments
- Working in an excluded employment

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### NOTICE TO EMPLOYEES (FORM UCB-7)

Employers are required to prominently display a poster in each work place.  
 If not a permanent site regularly accessed by employees, can provide individual notices.  
**DO NOT BUY THESE POSTERS**

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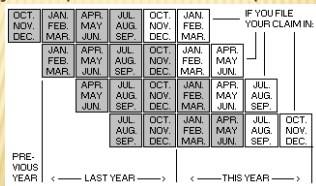
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### QUALIFYING FOR AND CALCULATING OF UI

#### Qualifying Wage Requirements

Step 1. Base Period (first four of the five most recently completed calendar quarters)




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**EXAMPLE:**

Meet Joe: Joe has been laid off today, 10/2/14 from your City Library. He qualifies because of layoff. Next is to determine if he has enough qualifying wages. We assume he works 40 hours a week and makes \$10.00 per hour. He gets paid every Friday.

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**DETERMINATION OF WEEKLY BENEFIT RATE**

OCT 2013 NOV 2013 DEC 2013	JAN 2014 FEB 2014 MAR 2014	APR 2014 MAY 2014 JUNE 2014	JUL 2014 AUG 2014 SEP 2014	OCT 2014 NOV 2014 DEC 2014
\$5,200	\$5,200	\$5,200	\$5,200	

Weekly benefit uses the highest quarter and computes at 4% during that quarter.  
Joe's highest quarter was \$5,200 so his weekly benefit rate is \$208 ( $\$5,200 \times .04 = \$208$ )

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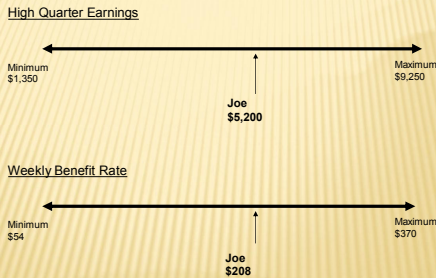
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**MAXIMUM AND MINIMUM RATES**



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### BASE PERIOD WAGE REVIEW

- Total base period wages must equal at least 35 times the weekly benefit rate  
(35 x WBR = \$7,280) (Joe earned \$20,800)
- Wages outside the high quarter must equal at least 4 times the weekly benefit rate  
(4 x WBR = \$832)(Joe earned \$15,600)

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### PROPORTIONAL CHARGING

Example:

**Total base period wages = \$20,800**

Covered base period wages paid by Employer A = \$15,600 (75%)

Covered base period wages paid by Employer B = \$ 5,200 (25%)

**If claimant receives unemployment benefits of \$208, the employers' charges would be:**

Employer A = \$156 (75%)

Employer B = \$ 52 (25%)

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### OTHER QUALIFYING REQUIREMENTS

Joe has two more requirements to be eligible for benefits:

- Able and Available for Work
- Work Search for Suitable Work

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**EMPLOYEE VS. INDEPENDENT CONTRACTOR**

Considered an employee unless both following conditions are met:

1. The individual is free from employer's direction and control in regard to when, where and how their services are performed.
2. Services have been performed in an independently established trade, business or profession in which individual is customarily engaged.

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**QUESTIONS?**

More information:

State of Wisconsin  
Department of Workforce Development  
<https://dwd.wisconsin.gov/ui/>

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