



COVID-19 and Unemployment Insurance Frequently Asked Questions for Employers

Note: This information is updated frequently. Please check back for updates.

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ELIGIBILITY FOR EMPLOYEES

I may have to shut down operations temporarily due to COVID-19. Can someone walk me and my employees through the process?

Yes, Rapid Response Workshops are designed to provide immediate aid to companies and affected workers from layoffs and worksite closings. Advance notice gives the business and workers time to adjust, and if necessary find a new job and receive skills training to compete in the job market. To schedule a Rapid Response Workshop contact Tony Granados at 801-526-4312 or rapidresponse_warn@utah.gov.

Are my workers eligible for unemployment benefits?

Generally, individuals are eligible for unemployment benefits if they meet each of the following criteria:

- Individuals who have been connected to the workforce for long enough to meet monetary eligibility rules (generally at least 5 quarters)
- Individuals who are able and available for suitable employment
- Individuals who were laid off through no fault of their own

Specific to COVID-19, the following individuals should apply and may be eligible:

- Individuals whose employer temporarily ceases operations with the expectation that the employee will return to work. This is sometimes referred to as being “furloughed.” During the COVID-19 pandemic, employers do not need to do anything different when furloughing employees. Work searches are waived at this time because the majority of new claims are job attached.
- Individuals who are quarantined, but not showing symptoms, and will return to work for the employer

- Individuals who are able and available (not showing any symptoms of COVID-19), but is unable to go to work as their place of employment has been quarantined

How do my workers apply for unemployment benefits?

Filing for unemployment benefits is done online at jobs.utah.gov/ui/home.

Who does not qualify for unemployment benefits?

Generally unemployment benefits may be denied for the following:

- Individuals on paid leave. An individual who is on paid leave is considered employed.
- Individuals who are not able and available, including those who have COVID-19, may not be eligible. These claims will be reviewed on a case-by-case basis, but these individuals should still file a claim.

What does “able and available” mean?

In the context of unemployment benefits, being “able and available” is a federal requirement intended to ensure that individuals filing for benefits remain attached to the labor market by being able to work and available to work for their employer after a temporary separation, or to a new employer if an individual is not attached to a former employer.

Can I prevent my employees from filing for unemployment insurance?

No. An employer may not directly or indirectly in any manner obstruct or impede the filing of claims for unemployment insurance benefits. Each violation is a class B misdemeanor. See 35A-4-103.

As an employer, if I need to shut down operations temporarily because of COVID-19 can my workers file for unemployment benefits?

Yes. Filing for unemployment benefits is done online at jobs.utah.gov/ui/home.

If I shut down operations temporarily because of COVID-19, and my workers file for unemployment benefits, will they be required to make the four new job contacts weekly?

Your workers may be eligible to receive unemployment benefits and not required to search for work. Work search requirements will be reviewed when they file their claim and they may be granted a work search deferral. This deferral helps you maintain your skilled workforce while providing partial-wage replacement for your workers.

My employee said they are staying home, but we have not started to send anyone home due to the coronavirus yet. Do they qualify?

Any employee who refuses to come into work may be considered to have quit their employment and an eligibility decision for quitting will have to be determined by Workforce Services. Every case of quitting is uniquely dealt with. Depending on the reasons for their refusal to report to work, an individual may not be eligible for benefits if they lack good cause for leaving, like a public safety order or need for quarantine.

My employee said they have to stay home to take care of their children. Can they file for unemployment benefits and do they qualify?

The Governor's Office encourages employers to be accommodating to staff needs in response to the COVID-19 pandemic. Generally speaking, any staff who are working with their employer to address temporary separations for public safety related to COVID-19 may be eligible for unemployment benefits, provided they meet all other requirements.

What if my worker needs to take time off work because they contracted COVID-19?

If they are receiving paid leave while taking time off from work they are not eligible for unemployment benefits because they are not considered unemployed. If they are not receiving paid leave, then they may be eligible for unemployment benefits, provided they meet all other eligibility requirements.

I was notified that a former employee filed for unemployment, but I was not the employer that furloughed/laid them off. Will I be charged for benefits costs, even though I did not furlough/lay them off?

You will not be charged. All unemployment insurance claim benefit costs attributable to COVID-19 will be charged to social costs instead of your benefit ratio (basic tax rate). This applies to all employers included in the base period of the unemployment claim, not just the last employer that furloughed/laid-off the worker due to COVID-19.

I furloughed/laid-off my workers due to COVID-19. Do you want me to respond to the normal requests for information made by unemployment?

No. If the reason for the furlough/layoff is COVID-19, you do not need to respond. Your worker will have the opportunity to report they are unemployed due to COVID-19 when they file their claim for unemployment.

IMPACT FOR EMPLOYERS

What is the best way to reach an unemployment insurance representative?

Chat is the best way to by clicking the 'Live Chat' button at jobs.utah.gov/ui.

Am I a contributory or reimbursable employer?

The unemployment insurance program is operated on general insurance principles. Most employers pay a quarterly unemployment insurance payroll tax to the Utah Unemployment Compensation Fund (trust fund). Money from the trust fund can only be used to pay unemployment insurance benefits and may not be used for administrative or any other cost. If you pay unemployment insurance tax each quarter based upon your payroll wages, you are a contributory employer.

Reimbursable employers are governmental units, federally recognized Indian tribes or nonprofit 501(c)(3) organizations that elected to become a reimbursable employer. Reimbursable employers are liable for direct reimbursement to the trust fund for benefits paid to individuals formerly in their employ in lieu of paying quarter taxes.

As a contributory employer, will this affect my unemployment insurance tax rate?

All unemployment insurance claim benefit costs attributable to COVID-19 were charged to social costs through Aug. 15, 2020, instead of your benefit ratio (basic tax rate). Currently social costs are .001, or \$1 for every \$1,000 of wages paid.

Remember, your unemployment insurance tax rate for 2020 is already set and will not change due to COVID-19 or any other claims.

Your unemployment insurance tax rate for 2021 will include all benefits costs from July 1, 2019 through June 30, 2020, and three prior fiscal years.

Your unemployment insurance tax rate for 2022 will include all benefits costs from July 1, 2020, through June 30, 2021, and three prior fiscal years.

Please see our online Employer Handbook for more information about social costs and rate calculations at

jobs.utah.gov/ui/employer/Public/Handbook/EmployerHandbookFAQs.aspx#howcalc.

For additional questions, please contact an unemployment insurance representative through the 'Live Chat' button at jobs.utah.gov/ui/home.

What are social costs?

Social costs are unemployment insurance benefit costs (payments to claimants) which are not allocated to any particular employer and are one of the elements of the annual contribution rate calculation.

Please see our online Employer Handbook for more information about social costs and rate calculations at jobs.utah.gov/ui/employer/Public/Handbook/EmployerHandbookFAQs.aspx#howcalc.

For additional questions, please contact an unemployment insurance representative through the 'Live Chat' button at jobs.utah.gov/ui/home.

As a reimbursable employer, will COVID-19 claims affect me?

Yes, as a reimbursable employer you will continue to receive your monthly billing if any unemployment insurance benefits have been paid to your former or furloughed employees.

To help during this time, the Department will allow reimbursable employers one additional month to pay their reimbursement/bill. For example, the reimbursement for unemployment insurance benefits paid during the month of February 2020 will be due by April 30, 2020. The normal billing cycle will resume April 2021, meaning the reimbursement for unemployment insurance benefits paid during the month of April 2021 will be due by May 31, 2021.

In addition, the Department will consider waiving penalty and interest associated with late payments due to COVID-19 and will consider installment agreements provided the employer keeps their contact information current and remains in contact with the Collections team. To reach the Collections team call 801-526-9235 and select option 2, and then option 2. We will evaluate these provisions as the repercussions of COVID-19 continue to unfold.

Reimbursable employers are still required to file Reimbursable Employment and Wage Reports (Form 794-N) by the last day of the month that follows the end of each calendar quarter.

I heard governmental entities and nonprofit organizations will be credited for 50% of their unemployment benefits costs, is this correct?

Yes. The Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) provides emergency funds to Workforce Services to help mitigate economic impacts of the COVID-19 pandemic on reimbursable employers. The CARES Act originally required reimbursable employers to pay their monthly bill in full before Workforce Services is permitted to reduce the bill by up to 50%. The reduction was issued as a credit on the following month's bill.

On Aug. 3, 2020, the President signed into law the Protecting Nonprofits Act, which eliminated the requirement that reimbursing employers must first pay the amount due in lieu of contributions to obtain emergency relief with federal funds. As a result of this law change, for all weeks of unemployment after Aug. 3, 2020, the monthly bill will first be reduced by 50% and then sent to you. In other words, reimbursing employers are no longer required by the federal government to first pay their monthly bill in full to receive the 50% credit.

Are all of my reimbursable unemployment bills for 2020 reduced by the CARES Act?

This credit only applies to unemployment benefits paid to your former or furloughed employees from March 21, 2020, through the end of March 2021.

As a reimbursable employer, does the CARES Act require me to pay 100% of my bill before I receive the 50% credit?

The CARES Act required you to pay your bill in full before Workforce Services was permitted to reduce the bill. Once paid in full, Workforce Services credited your account for 50% of the charges that were assessed for that paid month. This credit showed on your next month's bill and then you only paid the final amount owed. However, as a result of the President signing into law the Protecting Nonprofits Act, reimbursing employers are no longer required by the federal government to first pay their monthly bill in full to receive the 50% credit.

As a reimbursable employer, what do I have to do to claim my 50% reduction?

The 50% reduction is calculated by our tax system and included in your monthly bill. Though not required, we do ask that you please pay online. Doing so will prevent staff from having to report to the office to process paper checks. You can pay online at jobs.utah.gov/ui/employer/employerhome.aspx.

As a reimbursable employer, what can I do if I am unable to pay my monthly bill in full?

Reimbursable employers who are unable to pay their bill in full are advised to call the Collections department to establish a payment plan. To reach Collections, call 801-526-9235, and select options 2 and then 2.

I am a reimbursable employer. If I have to shut down operations temporarily because of COVID-19 and my workers are eligible for unemployment benefits, am I liable for all benefit costs associated with the claim?

Reimbursable employers elect to be liable for direct reimbursement to the unemployment insurance trust fund for benefits paid to individuals formerly in their employ. This direct reimbursement is in lieu of paying quarterly contributions. The CARES Act provided for a 50% reduction of the amount of payments in lieu of contributions, after the employer first paid the full amount due. The reduction showed as a credit on the bill for the following month. However, as a result of the President signing into law the Protecting Nonprofits Act, reimbursing employers are no longer required by the federal government to first pay their monthly bill in full to receive the 50% credit.

Will I receive a monthly refund or will my account be credited for the 50% reduction?

The CARES Act required you to pay your monthly bill in full for the 50% reduction to be applied as a credit on your billing statement for the following month. As a result of the President signing into law the Protecting Nonprofits Act, for all weeks of unemployment after Aug. 3, 2020, the monthly bill will first be reduced by 50% and then sent to you. In other words, reimbursing employers are no longer required by the federal government to first pay their monthly bill in full to receive the 50% credit.