



Unemployment Insurance Costs

Q. *If we decide to lay off employees or shorten the school year, are affected employees eligible for unemployment insurance benefits?*

A. Yes. If you lay off an employee so that he or she no longer has a job with the district, or shorten the school year by more than a week, affected employees may be eligible for unemployment benefits.

Under ordinary circumstances, school employees released for summer break are not considered unemployed and may not apply for benefits. According to Oregon law¹, you do not have to pay benefits to employees during an established and customary vacation period or holiday recess. Laying off employees or shortening the school year are not established and customary events, however, and employees affected by these changes may apply for benefits. It's important to note that everyone who applies for unemployment is subject to a one-week waiting period. If you shorten the school year by a week or less, affected employees will not be eligible for unemployment.

Q. *How long is the "waiting week?"*

A. A "week" is defined² as any period of seven consecutive calendar days ending at midnight. The law³ also says this definition does not allow benefits for less than seven days or for the same

period more than once. Once this waiting week obligation has been made the employee will not have to fulfill this obligation again for a full 52 weeks.

Q. *Who pays for unemployment benefits?*

A. Districts pay for unemployment insurance benefits. No contributions come from employee wages.

Q. *How much do eligible employees receive?*

A. Currently, an unemployed person can draw a maximum benefit of \$482 per week for a maximum of 26 weeks (or \$12,532). The minimum benefit is \$113 per week for a maximum of 26 weeks (or \$2,938).

The actual benefit amount is a percentage of the employee's total wages during the previous 12 months.⁴ If a person earned at least \$9,040 during that period, he or she is eligible for 26 weeks of benefits. If the employee earned less than that amount, he or she will receive one-third of the amount earned, paid at \$113 a week. Benefits are considered taxable income.

During periods of high unemployment benefit extensions may be available. The Employment Department mails each affected individual a notice of potential eligibility and an application form.

Q. *How do districts pay for unemployment benefits?*

A. There are three ways to pay for unemployment insurance:

¹ORS 657.221

²ORS657.010(10)

³OAR 471-030-0005

⁴ORS 657.105

- **Reimbursement.**⁵ You are billed quarterly for an amount equal to the regular and extended benefits paid to claimants. In good times, this is probably the least expensive plan; about 75-80 percent of districts use it.
- **Tax Rate.**⁶ You may choose to make unemployment part of your tax liability. The rate varies from .9 to 5.4 percent of payroll salary, depending on unemployment claim history.
- **Trust Fund.**⁷ You may also join the Local Government Employer Benefit Trust Fund. This fund will pay the direct pay invoice mentioned above. To join, you must notify the Employment Department no later than Jan. 31 of a calendar year.

Q. Are all employees who separate from their employers eligible for unemployment insurance?

- A. No. Employees are not eligible for unemployment insurance benefits if they voluntarily leave work without good cause or are discharged or suspended for work misconduct.

Good Cause means a grave or serious situation that would cause a reasonable and prudent person to quit a job. Misconduct means a willful or wantonly negligent violation of the employer's standards of behavior for employees or disregard of the employer's interest.

Q. What happens if an employee starts to receive retirement pay after he or she receives unemployment insurance benefits?

- A. Depending on the amount of type of retirement benefits, retirement pay may make the employee ineligible for unemployment, reduce benefits, or have no effect at all. Social Security does not affect benefits unless the employee does not want to work, limits work, or works less than full time.

Q. If unemployment benefits are reduced or denied to a former employee, can he or she appeal the decision?

- A. Yes. Employment Department decisions may be reviewed through a hearings process. An Administrative Law Judge (ALJ) employed by the Employment Department acts as a neutral judge of the facts, conducts the hearing, and issues a written decision. ALJ decisions may be appealed to the Employment Appeals Board (EAB). Decisions of the EAB may be appealed to the Oregon Court of Appeals. Employers also have the same appeal rights as former employees.

Q. How can I learn more about unemployment insurance benefits?

- A. The Oregon Employment Department's website offers information about eligibility, the waiting period, notification, and claims and answers frequently asked questions. Visit the site at:
<http://findit.emp.state.or.us/uiinfo.cfm>.

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⁵ORS 657.505(6)

⁶ORS 657.405 to 657.495

⁷ORS 657.509(1)