



### **“This, too, shall pass” – Ancient Persian Wise Man**

Unemployment benefits, for the most part, are administered by each individual state. The general rules are that employees who lose their jobs through no fault of their own are usually eligible for unemployment benefits. Employees who leave their jobs voluntarily for no good reason, and employees who are engaged in “misconduct” or violations of company rules or policies, are not eligible for unemployment benefits. However, as any employer who has endured an unemployment hearing can attest, unemployment officials sometimes can be unpredictable and often give benefits to persons who should not receive them.

But in the Spring of 2020, we are living in a new and unprecedented time, a time in which millions of employees have been laid off or furloughed and almost all of those employees are eligible for unemployment compensation. Employees apply for unemployment benefits online and each state has a maximum benefit per week which varies from something like \$275 per week in some states, like Florida, to over \$700 per week in others, like New Jersey. The amount of unemployment for each person is based on a variety of factors, such as how much a person has earned, how long a person has worked, the number of previous employers and other factors. Some states, like Georgia, are requiring employers to file unemployment claims for many of their furloughed or laid off employees.

But there’s more. As a result of the CARES Act, signed by President Trump this past weekend, all eligible employees will receive their state unemployment benefit plus another flat \$600. So, a person living in Florida would receive an unemployment benefit of up to \$275 per week, plus another \$600. A person in New Jersey would receive a benefit of up to \$713, plus another \$600.

Thus, it is possible – likely in many cases – that a laid off or furloughed employee could receive more money in unemployment benefits than he or she would have earned by working. The Department of Labor has stated that the goal is to provide the average out-of-work employee with 100% wage replacement. The unintended consequences could be staggering.

State unemployment benefits generally run for 26 weeks; however, the CARES Act extends this period by an additional 13 weeks, up to a maximum of 39 weeks. The federal \$600 per week runs for four months and expires on July 31, 2020.

## Seay Management Consultants Unemployment Benefits During the Time of COVID-19

Some employers are worried about how these benefits could affect their experience rating for their unemployment account and, as you might imagine, it is possible that these new benefits could significantly increase your unemployment taxes. Some states, but not all, have stated that these benefits owing to COVID-19 will not affect the employer's account. At this point, we do not know if all states will take this position.

So, almost every person who has lost income owing to the coronavirus is going to qualify for unemployment benefits, including employees, self-employed persons, contract workers and others. Employees who have had a reduction in their wages or their hours worked are eligible for partial unemployment benefits. In this unprecedented time, we will keep you constantly up to date on the HR and employment implications of the coronavirus. Please contact your Seay Management Consultant if you have any questions about the FFCRA, unemployment compensation, or any other HR issue.

If you have an employment issue, and you need an answer right away, and no one else can help, you need to call . . . The Seay Team.” We appreciate having you as a friend and client of our firm.

The Seay Management Team – Sandy, Kylie, Jackie and Sissy

It is our goal to:

1. Help ensure that your business is in compliance with all of the state and federal employment regulations and guidelines which affect your company and your employees;
2. Help eliminate your financial exposure in these areas; and
3. Develop the policies and systems which will help you employ and maintain a satisfied, happy and productive work force.

Seay Management provides Human Resources Management and Labor Relations consulting services. Seay Management does not provide legal advice and does not engage



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