Equifax offers a full suite of services to help employers streamline processes

**Acquire and develop extraordinary individuals.**

**Paperless New Hire**
- Compliance Center
- I-9 Management
- Tax Credits and Incentives

**Save time and money.**

**Paperless Employee Self Service**
- Paperless Pay
- W-2 Management
- Employment and Income Verifications

**Receive guidance and reduce risk.**

**Tax Management Services**
- Unemployment Cost Management
- Employment Tax Services
- Tax Credit and Incentives
- Affordable Care Act Platform
GOALS FOR TODAY!!!!!!!

✔ SEF Contributions

✔ Claims Activity Report

✔ Casebuilder

✔ Discuss separation issues, voluntary quits, lay offs, retirement, furloughs

✔ Discuss in reasonable assurance and bumping rights and new case affecting schools
HOW DOED EDD CALCULATE THE SEF RANKING

Number of times the Ending Balance exceeds UI Benefit Charges

- Less than 1 time? Rank 1 15%
- 1 to 2 times? Rank 2 10%
- 2 to 3 times? Rank 3 5%
- 3 or greater? Rank 4 0%

Reserve Ratio is reflected in Ranking and determines LEC Percentages

Annual Notification
Current Rate for 2016-2017 – 0.05%
<table>
<thead>
<tr>
<th>Los Angeles County Office of Education</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Filed</td>
<td>26,595</td>
<td>20,650</td>
<td>17,242</td>
</tr>
<tr>
<td>Protest (%)</td>
<td>15%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Claim Win Ratio</td>
<td>96%</td>
<td>95%</td>
<td>89%</td>
</tr>
<tr>
<td>Hearing Win Ratio</td>
<td>65%</td>
<td>64%</td>
<td>65%</td>
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<tr>
<td>Overall Win Ratio</td>
<td>95%</td>
<td>94%</td>
<td>88%</td>
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<tr>
<td>Benefit Charges</td>
<td>$28,649,787</td>
<td>$21,629,679</td>
<td>$16,361,538</td>
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<tr>
<td>Liability Removed</td>
<td>$15,228,643</td>
<td>$10,264,721</td>
<td>$10,190,122</td>
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<tr>
<td>Charge Audit Recovery</td>
<td>$521,914</td>
<td>$535,368</td>
<td>$730,505</td>
</tr>
<tr>
<td>Los Angeles County Office of Education</td>
<td># Cases (Percent of Claims Not Protested) 2015</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>No Protest Client Requested</td>
<td>9 (&lt;1%)</td>
<td>25 (&lt;1%)</td>
<td>147 (&lt;1%)</td>
</tr>
<tr>
<td>Claim Received Too Late to Protest</td>
<td>305 (2%)</td>
<td>1,229 (2%)</td>
<td>906 (4%)</td>
</tr>
<tr>
<td>Separation Information No Response</td>
<td>1,368 (8%)</td>
<td>439 (2%)</td>
<td>1,272 (5%)</td>
</tr>
</tbody>
</table>
CaseBuilder provides a centralized and secure location for efficiently managing all of your claims activity online

Key features of CaseBuilder

› One simple, easy-to-use dashboard
› Streamlined communication
› Web-based system that reduces UI liability
› Detailed review of each separation with case history accessibility for complete transparency
› Alerts configurable to align with personal workflow preferences
› Upload key documentation directly to case file

Key benefits of CaseBuilder

› Uses wizard-based technology to guide employers through the complicated unemployment claim process to ensure the RIGHT information is captured for each separation.
› Provides enhanced effectiveness early on in the claim lifecycle, as well as overall management and insight into the unemployment activities and results of your program.
SIDES, combined with the CaseBuilder platform, ensures timely and adequate response to unemployment claims

- Improper UI payments are a $4.44 Billion/year issue in the unemployment system
- CaseBuilder: Combines benefits of UI SIDES with Equifax web-based technology

Employer Benefits from UI Sides and CaseBuilder

- Streamlined communications
- Proactive consultation
- Benchmarking and metrics
- Program insight and visibility
UI INTEGRITY ACT – What does it mean?
UI Integrity

The Trade Adjustment Assistance Extension Act of 2011 provides for a new statutory subsection in FUTA (Federal Unemployment Tax Act) in which state UI agencies must prohibit relieving employers of benefit charges to their unemployment tax account when both of the following exist:

- UI benefits were improperly paid, because the employer or their agent was at fault for failing to respond timely or adequately to the agency’s request for information relating to the unemployment claim; and

- The employer or agent has established a pattern of failing to respond timely or adequately to such requests.

- States have until October 21, 2013 to amend their UI laws to be in compliance with this new federal requirement.

- The reduction of improper payments through efforts to eliminate UI payment error, waste, fraud and abuse

- Any activity that safeguards the integrity of the UI Trust Fund
Section 252- Prohibition of Non-Charging

- Adds new subsection (f) to Section 3303 of FUTA – for a state law to meet the requirements of Section 3303(a)(1), the state must not relieve an employer of charges (non-charging) when an employer, or an agent of the employer, does both of the following:
  - “was at fault for failing to respond timely or adequately to the request of the [state] agency for information relating to [a] claim” for UC benefits that was subsequently overpaid; and
  - “has established a pattern of failing to respond timely or adequately” to requests from the state agency for information relating to claims for UC benefits

- Effective for overpayments after October 21, 2013

- “pattern of failure to respond timely or adequately means two (at minimum) or more instances of such behavior by the employer, or an agent of the employer.”

- “…permits states to impose stricter standards limiting relief of charges…not limited to denying relief of charges…after first instance of failure by employer or an employer’s agent…”

- “…states have some latitude…including whether a pattern of behavior is required.”
What Integrity Means to Employers

**The Trend:** Employers are expected to improve the quality of information provided to state unemployment agencies at the front end of the UI claim process, rather than waiting until a hearing to provide details.

**The Risk:** The consequence of not providing sufficient details in the initial stages of the claim, even if you prevail at an unemployment hearing, is loss of non-charging, which may increase benefit charge costs and, in turn, impact your UI tax rates/costs.
WANTED

Be on the lookout for any unemployment claims you receive at your location!

If you receive this type of document, FAX or email it immediately to Sandra Sinift

FAX (888) 823-0234 Email sandra.sinift@equifax.com

FAILURE TO FORWARD TIMELY COULD RESULT IN $11,700 LOSS
Unemployment liability remains with an employer for up to 18 months after initial employee separation.

**Last Employer Claim** – The claim notice sent to the most recent employer from which the employee has separated.

**Base Period Claim** – The claim notice sent to each employer for which the claimant worked during the base period. Base Period earnings determine weekly benefit amounts and employers chargeable proportionate to wages paid.

**Alternative Base Period (if applicable)** – Former employees who fail to qualify under the original base period may qualify under an alternative base period on wages paid during the last four calendar quarters prior to the claim filing date.
What Can We Do Better?
Unemployment Claim Process

Separation → Claim → Response

Hearing ← Appeal ← Determination

Decision ← Appeal ← Board of Review
Unemployment Claim Process

Ideal place to end process!

- Complete claim responses save time and money
- Reduce follow-up requests
- Claim Adjudicator can make fully informed decision
- Avoid unnecessary appeals
- Improve win % substantially
What do I need to provide for quit cases?

- Burden of proof on claimant as moving party
- It is best for the company policy to require a 2-week notice period
- Try to get verbal resignations in writing
- Written notices should be signed, dated, and include the intended last day of work
- Obtain as much detail surrounding the reason for resignation

- Date of hire?
- Last physical day worked?
- Termination date?
- Did the claimant work the notice period? Paid in lieu?
- Notice given? Verbal/written? To whom?
- Was it personal or work related?
- Supporting documentation?
- Attempts to resolve work-related issues?
What do I need to provide for discharge cases?

- Burden of proof is on employer as moving party
- Details surrounding the final incident
- Reference to the policy violated and signed acknowledgement
- Written Warning(s) Issued
- Consequences
- Action plan
- Employee & Witness Signature on Warning

Discharge

- Date of hire?
- Last physical day worked?
- Termination date?
- Supporting documentation?
- What is the company policy? Aware?
- Are the violations related?
- Prior warnings issued?
- What was the final incident?
Misconduct or Poor Performance?

Misconduct is generally defined as a willful disregard of an employer’s policy. If you cannot prove misconduct, your case will probably be adjudicated as poor work performance (inability to do the job).

If the claimant never could do the job to your satisfaction (for a period of time) or was just a “not a good fit for the job”, it will be very hard to prove “willful, deliberate”

Is the person trying but just not able to grasp the duties of the job? The claimant will usually say “I was doing the best I could…” and win.

Can you show the individual performed this job in an acceptable manner for a reasonable period of time?

Be sure to look at the root cause of the poor performance. A deliberate act may be at the root of the issue.

Willful or deliberate violation of rules or standards is NOT poor performance, but MISCONDUCT. (Wouldn’t vs. Couldn’t)

Best Practice: Discharge as soon as possible to minimize UI liability.
Constructive Quit

An individual’s unemployment is the result of his or her own willful act, which makes it impossible for the employment relationship to continue.
REASONABLE ASSURANCE LETTERS TO “CLASSIFED EMPLOYEES”

UI Code Section 1253.3(i) requires

- Written Notification to “Classified” employees who work less than 12 months
- Whether or not they have reasonable assurance
- 30 days prior to end of school year
Per UI CODE 1253.3 (i) Notice **Must** State:

- employee has RA
- employee **may** file a UI claim
- EDD will decide eligibility (not employer)
- potential rights to retroactive benefits
RA NOTIFICATION Not Required for “Certificated Employees”

- Instructional (Classroom teachers)
- Research
- Principal Administrative (Principals, Vice Principals)

HOWEVER....
CERTIFICATED SUBSTITUTES

Send RA letter stating employee:

- Has RA to return to work next school year
- Has RA for the close of all holiday and recess periods during that year
- Will not be needed for summer session, unless notified in writing
REDUCE LIABILITY FOR SUBSTITUTES

– Limit substitute list during recess periods

– Protest before & after summer school session

– Protest all within term recess periods

– If on-call during recess, report dates worked, refusals of work or dates of unavailability
NOTIFICATION TO NEWLY HIRED EMPLOYEES

At time of hire:

- Issue letter of RA to cover recess breaks in current school year

REASONABLE ASSURANCE – COMMUNITY COLLEGE PART TIME INSTRUCTORS

Cervisi Court Ruling:

Offers of work to part-time community college instructors are contingent on enrollment and therefore do not meet the criteria of reasonable assurance
Unemployment Hearings

- Date, Time, Place
- Liability
- Separation Issues & Other Issues To Be Discussed
- Exhibits
- Environment
- Testimony
- Representation
Hearings Checklist

- Dates of employment
- Rate of pay
- Job description
- Days/hours worked
- Reason for separation
- Signed resignation (voluntary quits)
- Written warnings (discharges)
- Company policy and signed receipt
- Description of the final incident preceding separation (discharges)
HEARINGS “What To Take”

- Person with direct first hand knowledge of separation
- Witnesses to alleged incident's)
- Relevant rules and/or handbook & claimant’s signature page
- Written warnings & personnel file
- Resignation letters/exit interview notes
- Copies of letter of reasonable assurance
Witness Statements are considered hearsay.

Cannot cross-examine a piece of paper.

In-person witness(es) along with written statements are fine.
Act quickly

What is the reason?

Is there an alternate witness?
HEARINGS “What Happens”

- Hearings are recorded
- Testimony is given under oath
- In discharge cases, the employer testifies first
- In quits, the claimant testifies first
- Cross examination by both parties
- Do not interrupt
- Relevant documents should be presented
- Decisions are based on case law
- Written decisions are sent with appeal rights
Questions ?

For more information please contact:

Contact Rose Mizak
rose.mizak@equifax.com

Visit our website:
www.equifaxworkforcesolutions.com