UNEMPLOYMENT MANAGEMENT
In Partnership with Los Angeles County Office of Education

March 2017
AGENDA

» Introductions
» Partnership Profile
» Value of the Education Vertical
» Unemployment Review & Training
  ▪ CaseBuilder
  ▪ Claims Activity Report
  ▪ SEF contributions
  ▪ Separation issues, voluntary quits, lay offs, retirement, furloughs
  ▪ Reasonable assurance, bumping rights and new case affecting schools

Los Angeles County
Office of Education

Gerald Yarbrough, Regionalized Business Services Coordinator
Sandra Sinift, UI Consultant
Trisha Milton, Manager, Claims Services
Kristina Martens, Manager, Appellate Division
Rosie Miazak, Account Manager
PARTNERSHIP PROFILE
As your Account Manager, Rosie is responsible for helping you maximize the value of Equifax services and engage additional Equifax resources to optimize your HR/Payroll and Unemployment processes.

Office: 314-684-2460 | Mobile: 314-413-8871 | Email: rose.mizak@equifax.com

Rosie reports to Scott Scheibel, who in turn, reports to Kristin Harty.
Equifax Workforce Solutions is a Leading Provider of HR Technology and Services

- is a leading provider of human resource compliance, analytics and verification technology and services
- enjoys a leading market position in several key categories:
  - ACA Management
  - Employment and income verification - The Work Number®
  - I-9 Management with E-Verify®
  - New hire state compliance solutions
  - Unemployment cost and tax management
- has a client base that represents 3/4 of the Fortune 500 and over 650 K-12 School Districts
Education Vertical Focus

Implementations/Ops

Account Management

Networking

Consultancy

Insights, Knowledge and Expertise

Improved Products/Innovative Solutions
Los Angeles County Office of Education
Value Summary (2016)

15,640 total claims completed

Over $14,095,584 liability avoided

Over $439,698 charge error recovery

Recommendations:

• Implement training best practices to mitigate potential risk by raising protest and win rates

• Implement The Work Number and enable CaseBuilder to gain efficiencies and improve results
The Work Number Executive Summary

We are the market leader in unemployment services, income/employment verifications, and the preferred provider to over 200,000 credentialed verifiers including lenders, credit issuers, and social service agencies.

The Work Number® database, is the largest central repository of payroll information in the United States, with over 7,100 employers contributing data each pay cycle.

Our data stewardship policies are driven by compliance with the UI Integrity provisions, and the Fair Credit Reporting Act (FCRA). They are designed to help safeguard employment data from unauthorized access.

We have an uncompromising stance on data security, leveraging multiple layers of protection – verifier credentialing, two-factor authentication, on-site inspections and auditing of data use.

We are the trusted source of current employment and income information for the Health Insurance Marketplace applications under the Affordable Care Act – a major driver of verifications activity.
UNEMPLOYMENT
Review and Training
Unemployment History & Basics

*The Great Depression, 1935:* Federal laws require states to enact legislation. Each state has their own unique unemployment laws.

One thing is consistent. In all states, the claimant must ...

> Be **able** to work
> Be **available** to work
> Be **actively seeking** work
> Meet the state’s **monetary requirement**
> Be unemployed through no fault of their own

By controlling unemployment charges against your account, you can control unemployment taxes!
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.
UI INTEGRITY ACT
What does it mean?
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 due to failure to respond timely or adequately to the state’s request for information relating to the claim
- The employer has established a pattern of failing to respond timely or adequately

States were required to enact their new UI legislation by October 21, 2013 to remain in compliance with this federal mandate.
Expectations for Compliance with UI Integrity

**Timely**
California requires a written response within 10 days from the mailing date of the claim.

**Adequate**
Provide answers to all questions raised
Provide all supporting documentation

**Pattern**
Generally interpreted as 2 or more instances or 2% of claims in prior year and fine is up to 10 times the weekly benefit amount for false statements.

Many states are in the process of determining how they will track and notify employers of non-compliance!
Compliance Matters for Every Case!

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

**The Risk:** Not providing sufficient details up front, even if you win at a hearing, can still cause a loss of non-charging, which may increase benefit charge costs, which can impact your UI tax rates/costs.
CaseBuilder & Case Link

- CaseBuilder is a web-based program that will allow clients to gather and submit documents and details in a fast, secure environment for all stages of the unemployment process.
- Case Link is the one-time use version of CaseBuilder
Insight reporting and the UI Integrity Dashboard provide the workforce data and intelligence necessary to enable business decisions.

Reporting is customizable, provides key performance metrics, can be exported to Excel, and is focused on compliance.
<table>
<thead>
<tr>
<th>LACOE</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Filed</td>
<td>20,650</td>
<td>17,242</td>
<td>15,640</td>
</tr>
<tr>
<td>Protest (%)</td>
<td>15%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Claim Win Ratio</td>
<td>95%</td>
<td>89%</td>
<td>92%</td>
</tr>
<tr>
<td>Hearing Win Ratio</td>
<td>64%</td>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>Overall Win Ratio</td>
<td>94%</td>
<td>88%</td>
<td>90%</td>
</tr>
<tr>
<td>Benefit Charges</td>
<td>$21,629,679</td>
<td>$16,361,538</td>
<td>$14,095,584</td>
</tr>
<tr>
<td>Liability Removed</td>
<td>$10,264,721</td>
<td>$10,190,122</td>
<td>$8,462,547</td>
</tr>
<tr>
<td>Charge Audit Recovery</td>
<td>$535,368</td>
<td>$730,505</td>
<td>$439,698</td>
</tr>
<tr>
<td>Los Angeles County Office of Education</td>
<td># Cases (Percent of Claims Not Protested) 2016</td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------------------------------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>No Protest Client Requested</td>
<td>4 (&lt;1%)</td>
<td>9 (&lt;1%)</td>
<td>25 (&lt;1%)</td>
</tr>
<tr>
<td>Claim Received Too Late to Protest</td>
<td>444 (3%)</td>
<td>305 (2%)</td>
<td>1,229 (7%)</td>
</tr>
<tr>
<td>Separation Information No Response</td>
<td>1,612 (10%)</td>
<td>1,368 (8%)</td>
<td>439 (2%)</td>
</tr>
</tbody>
</table>
# LACOE 2016 Claims Activity by District

## LOS ANGELES COUNTY OFFICE OF EDUCATION

Unit Performance Analysis

1/1/2016 - 12/31/2016

<table>
<thead>
<tr>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td># Claims</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>LOS ANGELES COUNTY OFFICE OF EDUCATION</td>
</tr>
<tr>
<td>ABC UNIFIED SCHOOL DISTRICT</td>
</tr>
<tr>
<td>ACCELERATED CHARTER ELEMENTARY SCHOOL</td>
</tr>
<tr>
<td>ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICTS</td>
</tr>
<tr>
<td>ALHAMBRA_USD</td>
</tr>
<tr>
<td>ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT</td>
</tr>
<tr>
<td>ANTELOPE VALLEY SCHOOLS TRANSPORTATION AGENCY</td>
</tr>
<tr>
<td>ANTELOPE VALLEY UNION HIGH SCHOOL DISTRICT</td>
</tr>
<tr>
<td>ARCADIA UNIFIED SCHOOL DISTRICT</td>
</tr>
<tr>
<td>AZUSA UNIFIED SCHOOL DISTRICT</td>
</tr>
</tbody>
</table>
HOW DOES EDD CALCULATE THE SEF RANKING

Number of times the Ending Balance exceeds UI Benefit Charges

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Rank</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 time</td>
<td>Rank 1</td>
<td>15%</td>
</tr>
<tr>
<td>1 to 2 times</td>
<td>Rank 2</td>
<td>10%</td>
</tr>
<tr>
<td>2 to 3 times</td>
<td>Rank 3</td>
<td>5%</td>
</tr>
<tr>
<td>3 or greater</td>
<td>Rank 4</td>
<td>0%</td>
</tr>
</tbody>
</table>

Reserve Ratio is reflected in Ranking and determines LEC Percentages

Annual Notification
2017 – 0.05%
WHAT CAN WE DO BETTER?
Unemployment Claim Process

**Goal:** End process at Initial Claim

- Complete claim responses save time and money
- Reduce follow-up requests
- Claim Adjudicator can make fully informed decision
- Avoid unnecessary appeals
- Improve win percentage substantially

Ideal place to end claim
Be on the lookout for any unemployment claims you receive at your location!

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

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

Failure to forward timely could result in $11,700 loss
Construction 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.
Documentation 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

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of hire?</td>
<td></td>
</tr>
<tr>
<td>Last physical day worked?</td>
<td></td>
</tr>
<tr>
<td>Termination date?</td>
<td></td>
</tr>
<tr>
<td>What was the final incident?</td>
<td></td>
</tr>
<tr>
<td>Prior warnings issued?</td>
<td></td>
</tr>
<tr>
<td>Supporting documentation?</td>
<td></td>
</tr>
<tr>
<td>What is the company policy? Aware?</td>
<td></td>
</tr>
<tr>
<td>Are the violations related?</td>
<td></td>
</tr>
</tbody>
</table>
Misconduct or Poor Performance?

Misconduct = willful disregard of an employer’s policy.

If you cannot prove misconduct, the case will probably be adjudicated as poor performance due to an inability to do the job... or Wouldn’t vs. Couldn’t

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

Definition

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 Notice Requirements
UI Code Section 1253.3(i)

Required

- 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

Must State

- Employee has Reasonable Assurance
- Employee may file a UI claim
- EDD will decide eligibility (not employer)
- Potential rights to retroactive benefits
# Reasonable Assurance Notices

## Not Required for Certificated Employees
- Instructional (Classroom teachers)
- Research
- Principal Administrative (Principals, Vice Principals)

## Required for Certificated Substitutes
- 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
Reasonable Assurance Notices

Notification To Newly Hired Employees

- At time of hire: Issue letter of RA to cover recess breaks in current school year

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
- First-hand testimony and evidence regarding the final incident that led to separation (discharges)
HEARINGS- “What To Take”

- Person with direct first hand knowledge of separation
- Witnesses to alleged incidents
- Relevant rules and/or handbook & claimant’s signature page
- Written warnings & personnel file
- Resignation letters/exit interview notes
- Copies of letter of reasonable assurance
Withdrawn / Not Participating

- Act quickly
- What is the reason?
- Is there an alternate witness?
Witnesses

Witness Statements are considered hearsay

Cannot cross-examine a piece of paper

In-person witness(es) along with written statements
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:

Contact Rose Mizak
rose.mizak@equifax.com

Visit our website
www.equifaxworkforcesolutions.com