In partnership with:





Welcome. Please make sure you call in for your audio portion of this Webinar Training.

The Promise of Community Action

Community Action changes people's lives,
embodies the spirit of hope,
improves communities, and
makes America a better place to live.

We care about the entire community and
we are dedicated to helping people
help themselves and each other.

Helping People. Changing Lives.
community Action
PARTNERSHIP
AMERICA'S POVERTY FIGHTING NETWORK

About Us

- Exclusively insuring the nonprofit sector since 1978 serving over 2,000 nonprofits
- Provide unique risk management products to minimize unemployment exposure and capture savings for nonprofits, government entities and Native American Indian Tribes.





Unemployment Claims Administration Services

Unemployment Best Practices & Recommendations

Preparing for an Unemployment Appeals Hearing

Advantages of Claims Administrator

WWW.FIRSTNONPROFIT.COM

Best Practices for Controlling Unemployment Costs

1. Provide timely responses to the state agency, include all details of the separation and supporting documentation
2. Understand the difference between voluntary resignations, discharges, and who has the burden of proof
3. Documentation is crucial: Compose effective written warnings & request resignation letters
4. Be prepared for hearings - first hand testimony is critical



Best Practices Document Availability

- Employee records, including all documentation, should be retained on-site in a secure location for at least 18 months for unemployment purposes.
- Files need to be readily available for your staff members to ensure a timely response to claims.
- Each new hire should sign and return an acknowledgement of receipt for the employee handbook, as well as an acknowledgement for any policy changes made during employment tenure.
- Each New Hire should receive:
  - A copy of the employee handbook
  - A detailed job description



Difference Between Quit and Discharge



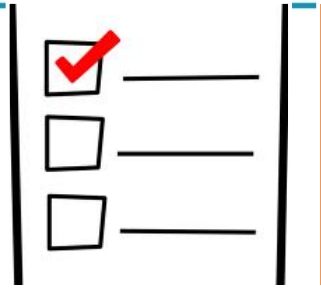
- Burden of Proof

  Quit = Claimant / Discharge = Employer

- Key Elements, Quit
  - Claimant must prove good cause attributable to the employer
  - Claimant must prove he/she exhausted all available alternatives

- Key Elements, Discharge
  - Employer must prove that act(s) leading to separation were willful and deliberate
  - Employer must prove that the claimant knew or reasonably should have known their conduct would cause separation
  - Employer must prove that claimant's actions caused harm to the employer or employees

Effective Documentation - Discharge



Details surrounding incident



Consequences

Reference the policy violated



Witness signature





Formal Corrective Action/Warning



Employee signature

Effective Documentation - Quit



It is best for the company policy to require a 2-week notice period



Get verbal resignations in writing



Written notices should be signed, dated, and include the intended last day of work



Obtain details surrounding the reason for resignation

Questions asked at the start of EVERY unemployment hearing

?'s about the claimant

- Employee's first day of employment
- Employee's last physical day of work/last day of employment if different
- Ending rate of pay
- Hours/Schedule (full-time, part-time, as needed
- Job Title
- Job Responsibilities

?'s about the witness

- Employer witness name & Job Title (length of time in position).
- Are you familiar with the claimant?
- If so, how? (Personal knowledge, employee file, combination)
- Were you involved with the decision to terminate?
- Was this a Quit or a Discharge?

Expectations: At the Hearing

Environment

Hearings are recorded.

Testimony is taken under oath.

Employer begins in discharge cases.

Employee begins in voluntary quit cases.

Do's & Don'ts

Offer a first-hand witness.

Address the facts.

Only respond when asked.

Remain unemotional.

Rebut any claimant statements that are false.

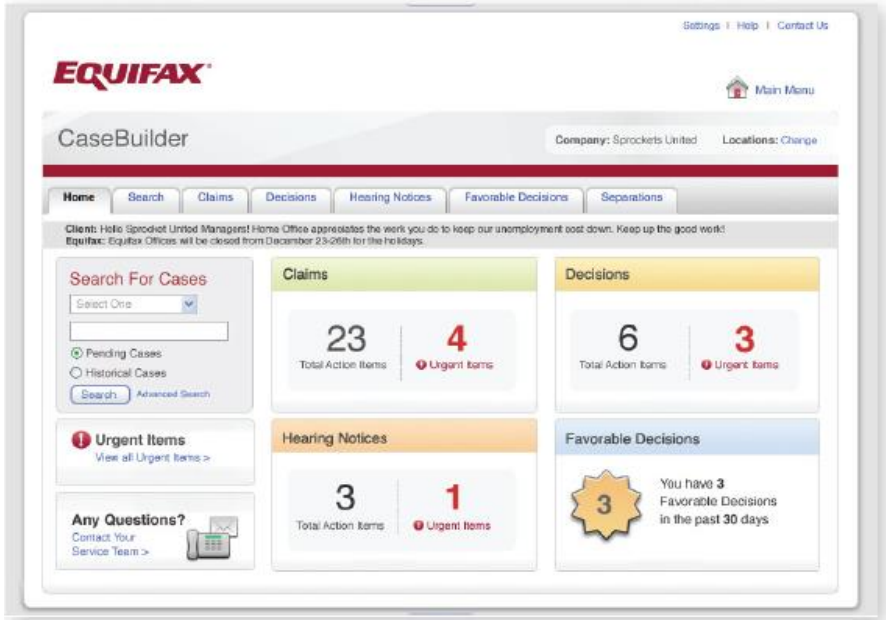
Offer a closing statement that supports the reasons the claimant should be denied benefits.

Benefits of Unemployment Claims Administration Services

- Technical Services
  - educational online seminars & monthly best practice tips, consultation on employment separation matters
- Claims Processing
  - *CaseBuilder Technology*: process all unemployment claim documents to and from the state agency, review and appeal claim decisions as needed, representation at unemployment hearings, prepare arguments to review boards
- Audit Services
  - audit benefit awards /claim duration / liability, audit benefit charges for accuracy, ensure proper credits received
- Online Report Services
  - Access to claims activity reports, charge and credit detail reporting, summary by type of separation
- Dedicated Unemployment Service Team
  - Client Relationship Manager, Unemployment Insurance Consultant, Hearing Coordinator, Charge Analyst

*About CaseBuilder

- Increased visibility into case detail
- Enhanced communications and process control
- Increased accuracy and timeliness of response



Savings Options for Nonprofits





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Financing Options for 501(c) 3's

1. Remit the assigned state UI tax
2. SUI or SUTA for-profit employers

Pay assigned rate quarterly on the state wage base per employee, whether the employer has claims during that quarter or has had no claims



EXPERIENCE RATING RECORD FOR THE PERIOD ENDING 06/30/2018

BENEFIT CHARGES		BENEFIT CONVERSION FACTOR	=	CONVERTED BENEFIT CHARGES	/	TAXABLE WAGES	=	BENEFIT RATIO	X	STATE EXPERIENCE FACTOR	+	PENALTY RATE	+	FUND BUILDING RATE	=	CONTRIBUTION RATE (NEW)
$17,985.00		138.40		24,891.24		754,025.35		3.3011		83.00		0.000		0.475		3.175%

QUARTERLY DETAIL

QTR / YEAR	BENEFIT CHARGES	TAXABLE WAGES
Q3/2015	0.00	56,216.07
Q4/2015	395.00	36,441.26
Q1/2016	1,682.00	92,113.43
Q2/2016	127.00	90,106.88
Q3/2016	0.00	42,751.45
Q4/2016	832.00	26,643.21
Q1/2017	1,833.00	91,482.07
Q2/2017	0.00	95,813.37
Q3/2017	141.00	31,217.58
Q4/2017	1,419.00	16,794.03
Q1/2018	4,764.00	93,434.72
Q2/2018	6,792.00	81,011.28
TOTALS	17,985.00	754,025.35

Note: The rate is applicable for the entire year.

The rate cannot be lower than 0.000% or higher than 6.400% plus the fund builder and any statutory surcharge.

An employer whose rate is higher than 5.400% and whose total wages for a particular quarter are less than $50,000.000 pays contributions at 5.400% for that quarter.

SAMPLE TAX RATE

- **Pre-paid tax**
- **State does not return any excess**
- **Reserves are kept by the State**
- **Employers have no way to lower their rate, subject to State's fund experience**

Financing Options for 501(c) 3's

Reimbursable method employer –

- Self-insure one's unemployment benefits, charged by the State only when employee file unemployment claims



The Federal Law Allows:

- **The Method the States are Required to use in Coverage .06 Nonprofit organizations.**--IRC Sec. 3304 (a) (6) (B), as a condition for approval of state laws (see .05, above), that the states must permit the nonprofit organizations required to be covered under **IRC Sec. 3309 to contribute state unemployment taxes under a special method. Under IRC Sec. 3309(a)(2) the states are required to provide nonprofit organizations, or groups of such organizations with the option of reimbursing the state for unemployment compensation payments attributable to service with the organization (s) in lieu of paying contributions under the normal tax provisions of the state law.** This includes nonprofit elementary and secondary schools from 1978. In effect, the nonprofit organizations are allowed to adopt a form of self-insurance.

- **Unemployment Insurance Reports** **¶20.27**

What is reimbursing?

Self-insuring

It is responsible for repaying the State dollar-for-dollar only on actual former employee's unemployment claims, rather than a percentage of quarterly payroll

Advantage

Lowest cost

Pay for own claims

Reduce your State assessments



Disadvantages

No limit to annual costs

Inability to accurately budget

Can be risky without safeguards

FNC Unemployment Products

Meeting the Needs of Nonprofits

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Savings and Coverage Samples



State

- Fixed rate for one year
- Full coverage
- Pooled costs
- No refunds
- No ER assistance on claims

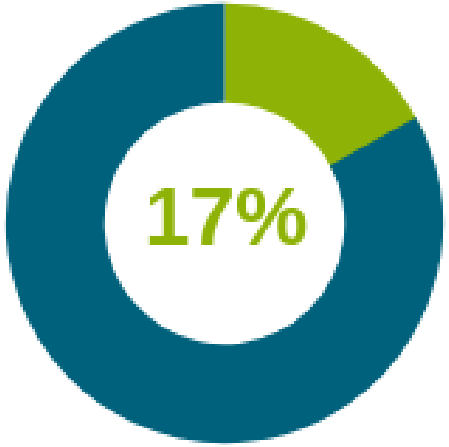
FNP - BSP

- Fixed fee one & two years
- Full coverage
- No pooled costs
- Refunds/Credits
- ER assistance on claims

FNP - USP

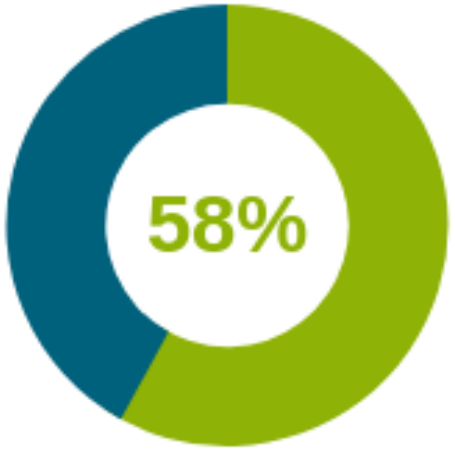
- Fixed fee for one & two years
- Partial coverage
- No Pooling costs
- Refunds/Credits
- ER assistance on claims

CAP Member Savings



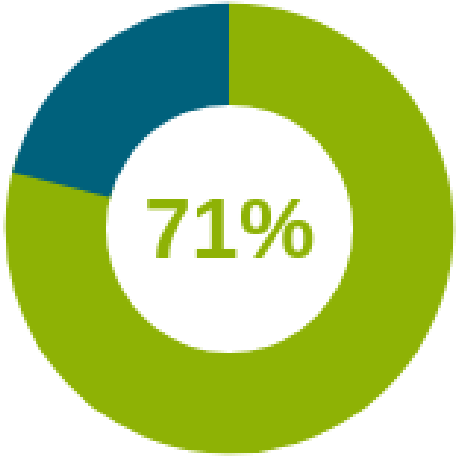
131 Employees

SUI Tax: $152,552
First Nonprofit: $126,000
Savings: $26,552



40 Employees

SUI Tax: $17,006
First Nonprofit: $7,214
Savings: $9,792



296 Employees

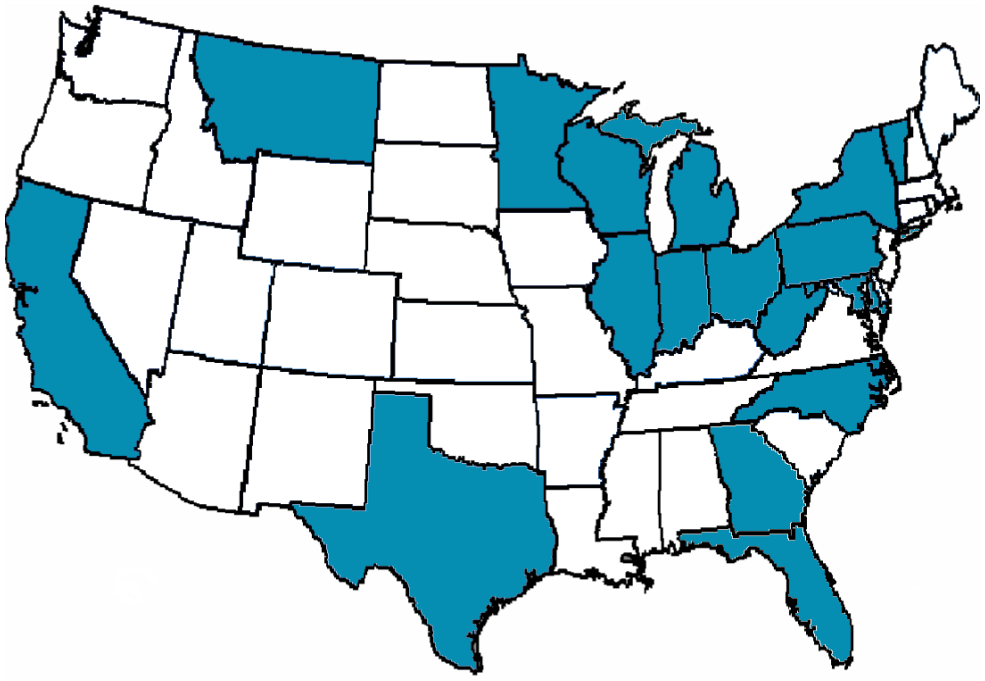
SUI Tax: $126,034
First Nonprofit: $36,600
Savings: $89,434

Achieve Savings, Service & Security

- Multiple program options tailored to fit your needs with professional claims services
- Budgetary certainty for cash flow and ease of budgeting
- Detailed management reports with online access
- No pooling costs associated with shared risks
- Payment of unemployment claims and collateral requirements directly to the State agency
- No change for employees
- Representation and advice on all unemployment issues
- Protection coverages for minimizing out of pocket costs
- Credits, refunds and interest earning options

Community Action Clients

- Serving 50+ CAP agencies
- Covering nearly 10,000 employees
- Participants from17 states across the country
- Saving millions of dollars each year!



Testimonial

Being a part of First Nonprofit and having them assist us as we reached our insurance limits has helped smoothed out some of the extreme peaks and valleys we have experienced recently. As we move to a more “normal” path we look forward to a long and mutually beneficial relationship with First Nonprofit. Thanks again for having our back.

Lakes and Pines Community Action Council, Mora, MN



Endorsed Nonprofit Partners









































































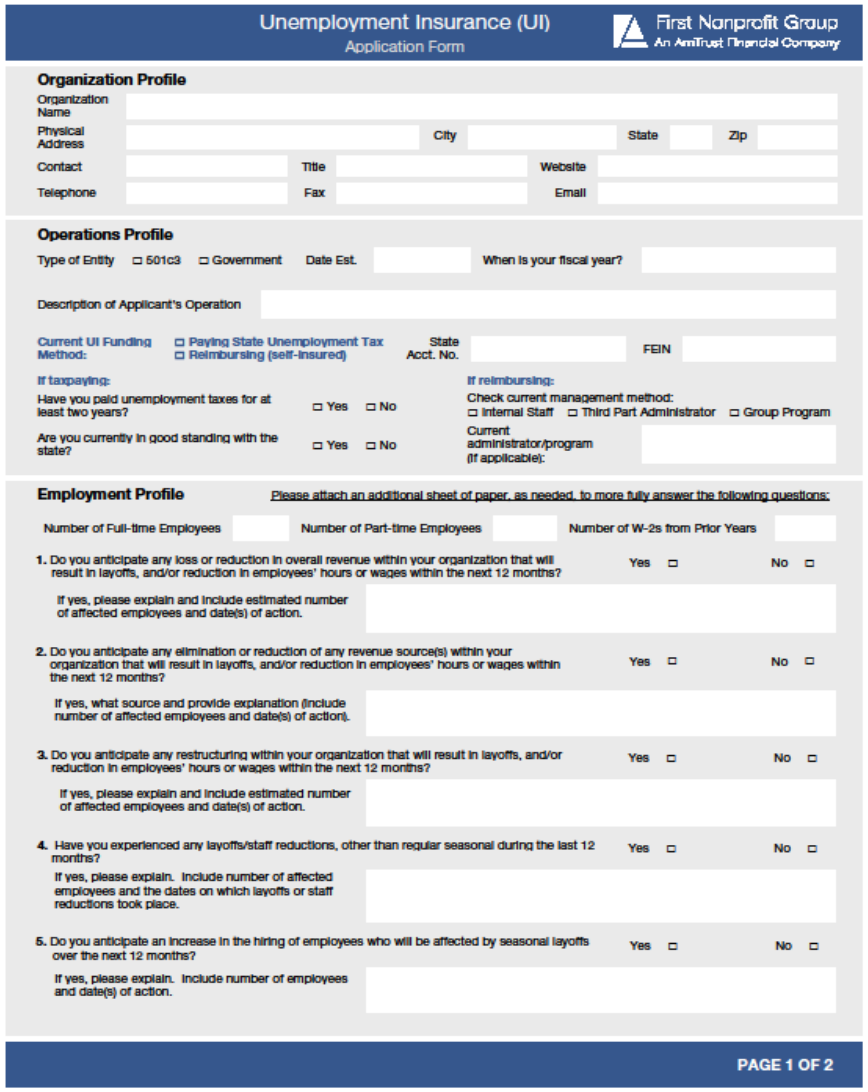
Who Can Join?

- Only 501c3 organizations, municipalities, and government entities
- Nonprofits that are already reimbursing or self insured
- Nonprofits that are not delinquent with the State
- CAP Members receive a free UI analysis and will save an additional 20% discount!









Unemployment Insurance (UI)
Application Form

First Nonprofit Group
An AmTrust Financial Company

Organization Profile

Organization Name
Physical Address | City | State | Zip
Contact | Title | Website
Telephone | Fax | Email

Operations Profile

Type of Entity ☐ 501c3 ☐ Government | Date Est. | When is your fiscal year?

Description of Applicant's Operation

Current UI Funding Method: ☐ Paying State Unemployment Tax ☐ Reimbursing (self-insured) | State Acct. No. | FEIN

If taxpaying:
Have you paid unemployment taxes for at least two years? ☐ Yes ☐ No
Are you currently in good standing with the state? ☐ Yes ☐ No

If reimbursing:
Check current management method: ☐ Internal Staff ☐ Third Part Administrator ☐ Group Program
Current administrator/program (if applicable):

Employment Profile Please attach an additional sheet of paper, as needed, to more fully answer the following questions:

Number of Full-time Employees | Number of Part-time Employees | Number of W-2s from Prior Years

1. Do you anticipate any loss or reduction in overall revenue within your organization that will result in layoffs, and/or reduction in employees' hours or wages within the next 12 months? Yes ☐ No ☐
   If yes, please explain and include estimated number of affected employees and date(s) of action.
2. Do you anticipate any elimination or reduction of any revenue source(s) within your organization that will result in layoffs, and/or reduction in employees' hours or wages within the next 12 months? Yes ☐ No ☐
   If yes, what source and provide explanation (include number of affected employees and date(s) of action).
3. Do you anticipate any restructuring within your organization that will result in layoffs, and/or reduction in employees' hours or wages within the next 12 months? Yes ☐ No ☐
   If yes, please explain and include estimated number of affected employees and date(s) of action.
4. Have you experienced any layoffs/staff reductions, other than regular seasonal during the last 12 months? Yes ☐ No ☐
   If yes, please explain. Include number of affected employees and the dates on which layoffs or staff reductions took place.
5. Do you anticipate an increase in the hiring of employees who will be affected by seasonal layoffs over the next 12 months? Yes ☐ No ☐
   If yes, please explain. Include number of employees and date(s) of action.

PAGE 1 OF 2

Obtain a free quote today!

Obtain free application from CAP or FNP

1. Return with copies of your UI history or state rate notices
2. Submit by September 15th for early bird discounts!
3. Review and decide before your State deadline of November or December!

Plan ahead for Big reductions on your operating costs in 2020!



Q & A ?

THANK YOU

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Celebrating 55 Years of Community Action

https://communityactionpartnership.com/ac2019/



2019

COMMUNITY ACTION PARTNERSHIP ANNUAL CONVENTION

COMMUNITY ACTION: A VOICE FOR CHANGE

CHICAGO, IL • AUGUST 28-30, 2019

#CAPCON19 @CAPartnership

Save the Date
January 8-10, 2020

Management and Leadership Training Conference

San Juan
Puerto Rico

Helping People. Changing Lives.
Community Action Partnership
America's Poverty Fighting Network