

Indiana Unemployment Insurance
EMPLOYER FREQUENTLY ASKED QUESTIONS for COVID-19 work-related issues
Updated April 5, 2020

Q1. If I lay people off due to COVID-19, will it affect my Merit rate / tax rate next year?

A1. Layoffs due to COVID-19 will not be charged to contributory employers, but will be mutualized to the entire contributory employer pool. More information regarding this will be sent to employers soon. Layoffs by reimbursable employers will be charged to the employer dollar-for-dollar, in the same manner they have always been charged, but a retroactive credit of 50% of the charges will be applied to the account once reimbursement is received under the federal CARES Act.

Q2. Is DWD going to waive penalties and interest for late filing of Quarterly Wage reports and for contribution payments first quarter 2020?

A2. Yes. DWD will waive penalties and interest for 31 days. Reports and payments made on or before 05/31/2020 will not be assessed any penalty or interest.

Q3. If I lay-off workers and pay their healthcare insurance coverage through COBRA, how does that impact unemployment insurance (UI) benefits?

A3. If you pay for your employees' COBRA coverage, this is considered deductible income and must be reported to DWD and could impact the amount of UI benefits a claimant is eligible to receive.

Q4. If I reduce my employees' hours but they are still employed, are they still eligible for UI benefits?

A4: They may be eligible for benefits, but part-time employment during the week claimed will reduce the amount of benefits paid for that week. If employees do work while receiving benefits, those employees must report any money earned on the voucher for the week they worked (not the week they ultimately get paid for the work). Failure to report money they earned is fraud and can result in denial of benefits, collections actions, and criminal prosecution.

Q5. If I pay my employees a bonus during the period of separation, will they be eligible for UI benefits?

A5. Maybe. If you make payments to your employees while they are collecting UI, they may have to declare the payment as deductible income. Sick pay, vacation pay, severance pay, payment in lieu of notice, and holiday pay are all deductible income for the claimant. Bonuses are wages for tax purposes, but they are not deductible income for the claimant, thus they do not impact the employee's UI benefits.

Q6. If my employees are independent contractors or I am self-employed, are regular unemployment insurance benefits available?

A6. No. Independent contractors and the self-employed are not engaged in covered employment for the purposes of UI, so benefits would not be available. They are likely eligible for Pandemic Unemployment Assistance (PUA) under the federal CARES Act. More information on that program will be provided as soon as available.

Q7. If I am a church or church daycare, will my workers be eligible for UI benefits?

A7. No, employees of churches and church daycares are not engaged in covered employment, for the purposes of UI, so benefits would not be available. They may be eligible for Pandemic Unemployment Assistance (PUA) under the federal CARES Act. More information on that program will be provided as soon as available.

Q8. Is the one-week waiting period for UI benefits being waived?

A8. Yes. The one-week waiting period for payment of UI was waived by the Governor's Executive Order on March 26, 2020. The waiver is retroactive to the week of March 8, 2020. This means that benefits will be paid for the first week the individual is eligible. This week of benefits may not appear immediately in the claimant's account, but DWD is working diligently to get this week added on each eligible claim.

Q9. Can I receive and respond to UI claims electronically?

A9. Yes. For additional information about the DWD SIDES E-Response program, go to <https://www.in.gov/dwd/sides.htm>.

Q10. How can an employer file an appeal if they do not have access to a fax machine?

A10. If you receive a base period separation notice, 640R, and the workers are applying for UI benefits due to a COVID-19 layoff, you do not need to respond. Only complete and return the Unemployment Insurance Protest (Employer) form, 640P, if the reason for separation is Quit or Discharged for Cause. If you cannot fax any required 640P, you may mail the form

Indiana Department of Workforce Development
10 North Senate Ave. SE 005
Attn: 640P
Indianapolis, IN 46204

If you are responding to a Determination of Eligibility and you do not have access to a fax machine, you may file an appeal by emailing your appeal to AppealsDepartment@dwd.in.gov or by mailing your appeal to:

Indiana Department of Workforce Development
10 North Senate Ave.

Attn: Appeals Department
Indianapolis, IN 46204

For more information on filing your appeal, please go to the Indiana DWD website
<https://www.in.gov/dwd/2356.htm>

Q11. How do I know if I am an essential business?

A11. The Governor has set up a call center to address employer questions on essential businesses. This is for business and industry questions only: 877-820-0890 or covidresponse@iedc.in.gov.

Q12. Do I have to provide information on unemployment insurance to my employees prior to lay off or separation from employment?

A12. Yes, you have a legal obligation to provide unemployment insurance benefits information prior to layoff or separation from employment. This notice can be provided to your employees as a letter, email, text message, or flyer/poster. DWD is asking for assistance from employers. If you have the means to assist your employees by allowing them to file from a computer from your business, please assist as you can. Any assistance you can provide in getting these important benefits to your employees is greatly appreciated.

Below is approved language:

Unemployment Insurance (UI) benefits are available to workers who are unemployed and who meet the requirements of state UI eligibility laws. You may file a UI claim in the first week that employment stops or work hours are reduced.

For assistance or more information about filing a UI claim or questions about the status of your UI claim once filed, visit www.unemployment.in.gov. You will need to provide the state UI agency with the following information in order for the state to process your claim:

- A valid email account – your email address will become your Uplink Username.
- Driver's license or valid ID, address, Social Security number, date of birth and phone number.
- Last employer's name, mailing address, phone number, dates of employment and reason you are unemployed.
- Bank routing number and account number if choosing direct deposit as your payment option (NOTE: Key2Benefits prepaid MasterCard® is also available).