

A MANAGER'S GUIDE:

Unemployment Explained

Updated September 8, 2020

- Understand State Unemployment
- Know What Federal Programs are Available
- Get Answers to Top FAQs



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OVERVIEW:

Unemployment Explained

Unemployment Insurance (UI) is a joint program of the federal and state governments. In Hawaii, it provides temporary cash benefits to workers who become **fully unemployed** or separated from their employer (e.g. layoffs) or **partially/temporarily unemployed** but attached to their employer (e.g. reduced hours, zero-hours furlough, etc.), through no fault of their own, and who meet the eligibility requirements as determined by the state.

The current weekly amount for state unemployment ranges from **\$5 – \$648 per week** depending on eligibility criteria. Employees can receive State benefits for a limit of 26 weeks that can be *accumulated* throughout their benefit year as the economy opens and closes. Previous weeks of unemployment benefits count against 26 weeks and the 26 week period does not restart every time employees are laid off or furloughed.

Additionally, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, individuals who qualify for unemployment benefits **may qualify for additional federal benefits.**

- Assistance Program for Lost Wages aka “FEMA Benefit”
- Pandemic Emergency Unemployment Compensation (PEUC)
- Pandemic Unemployment Assistance (PUA)
- [Expired] Federal Pandemic Unemployment Compensation (FPUC)

	Full Unemployment <i>e.g. laid off etc.</i>	Partial Unemployment <i>e.g. reduced hours, furlough</i>
State UI Benefit: <i>26 cumulative weeks</i>	Ranges of \$5 - \$648/wk	Ranges of \$5 - \$648/wk
Federal FEMA Benefit: <i>5 weeks retroactive to August 1, 2020</i>	Extra \$300*	
Federal PEUC Benefit: <i>13 weeks once State UI Benefits have been exhausted. Expires December 31, 2020</i>	\$TBD	
Federal PUA Benefit:	\$TBD	

**As long as the employee receives at least \$100/week in unemployment benefits from a state or federal unemployment benefits program.*

PART 1:

Understanding State Full & Partial Unemployment

Full Unemployment:

Your employees may qualify for Full Unemployment Insurance (UI) benefits if they're **fully separated** from you as an employer. It doesn't mean that you can't rehire them in the future, it just means that there is no work for them in the foreseeable future.

Eligibility:

If employees are fully separated from your business, through no fault of their own, they are eligible to receive State Full Unemployment Insurance benefits.

Employees must be:

- Fully separated from your business
- Physically available to work
- Actively seeking work (This requirement has been waived through *at least* the end of September 2020)
- Not an illegal alien
- Registered to work at HireNet Hawaii

Employees must have:

- Earned at least \$105.00 in gross earnings per week
- Worked at least 2 quarters during the 4 quarter "base period"*
- Have been a Hawaii resident during the period of employment

** For claims submitted during the third quarter of 2020, the base period = last three quarters of 2019 and the first quarter of 2020 (April 2019 – March 2020).*

Weekly Benefit Amount:

The State of Hawaii pays up to \$648 per week in Full Unemployment benefits.

- The Weekly Benefit Amount (WBA) is calculated by dividing the wages in the highest quarter of the base period by 21.
- If that amount is less than \$648.00, the calculated amount will be the weekly benefit.
- For example, if an employee earned a \$30,000 salary during the 12-month base period, the highest quarter of earnings = \$7,500.00. $\$7,500/21 = \357.14 . \$357.14 is less than \$648.00, thus the employee will receive \$357.14 as their weekly benefit.

Important notes:

- *Base period* - The standard base period is the first 4 of the last 5 completed calendar quarters immediately preceding the effective date of an employee's claim.
- *Effective date* - The effective date of an employee's claim is the Sunday of the week in which they first apply. For instance, if the effective date of the claim is August 1, 2020, then the base period is April 2019 to March 2020.
- *Max WBA* - The WBA cannot be more than the maximum Weekly Benefit Amount, which is determined each year by law. The maximum WBA for 2020 is \$648.
- *How long* - An employee's claim is good for one year from the effective date of the claim; however, they can be paid for only 26 weeks of total unemployment during the one-year period that the claim is effective.

The specific benefit amount employees will receive will depend on their previous employment and salary history for the past 18 months, any current income they are still earning, and any other benefits they still receive.

The Hawaii Unemployment Insurance [Benefit Estimator](#) can be used as a quick reference for determining an employee's approximate benefit amount. This is only an estimate based on information provided. It may differ from their actual benefit amount.

Partial Unemployment:

Your employees may qualify for Partial Unemployment Insurance benefits if they are still attached to you as an employer but are working and earning less than their customary regular scheduled hours due to business/work slow down and as a result, earning less than their Weekly Benefit Amount.

Partial Unemployment is not intended to supplement their income *for the long term*. It is only appropriate when their hours are guaranteed to return to full-time hours within a short amount of time (for example: 3 to 4 weeks). If employees are going to file for Partial Unemployment, there should be a designated date when they're expected to return to work.

Eligibility:

If employees are still attached to your business but working reduced hours, through no fault of their own, they are eligible to receive State Partial Unemployment Insurance benefits.

Employees must be:

- Attached to your business
- Working less than their full-time hours
- Earning less than their weekly benefit amount during a week

Note: Partial unemployment benefits can be backdated up to 28 calendar days to a week of less than full-time employment. Additionally, employees may earn up to \$150 per week and still receive the full Weekly Benefit Amount.

Weekly Benefit Amount:

The State of Hawaii pays between \$5.00 – \$648.00 per week in Partial Unemployment benefits. The Unemployment office calculates the Weekly Benefit Amount as follows:

- Start with the highest quarter of earnings for the base period. Divide that number by 21.
- If that amount is less than \$648.00, the calculated amount will be the weekly benefit.
- For example, if an employee earned a \$30,000 salary during the 12-month base period, the highest quarter of earnings = \$7,500.00. $\$7,500/21 = \357.14 .
- \$357.14 is less than \$648.00, thus they will receive \$357.14 as their weekly benefit.

The Weekly Benefit Amount for Partial Unemployment then requires a couple of additional considerations, based on how much employees are still working. If they are being furloughed, working zero hours, and receiving zero wages, they'll receive the \$357.14 calculated above.

If employees are working REDUCED hours, additional calculations are required:

- If their week's gross earnings are \$149 or less, the above calculation holds and they will receive both their Weekly Benefit Amount plus their earned wages of \$149 or less
- If their gross earnings for a week is \$150.00 or more, then the amount by which their gross earnings exceeds \$150.00 will be subtracted from their Weekly Benefit Amount.
- Use the example above, where their quarterly earnings were \$7,500, qualifying them for a Weekly Benefit Amount of \$357.14.
- If they earn \$200.00 in gross earnings working reduced hours, their Weekly Benefit Amount will be \$307.14 in Partial UI benefits ($\$357.14$ WBA - \$50 in gross wages over \$150)).

The specific benefit amount they will receive will depend on their previous employment and salary history for the past 18 months, any current income they are still earning, and any other benefits they still receive.

The Hawaii Unemployment Insurance [Benefit Estimator](#) can be used as a quick reference for determining their approximate potential benefit amount. This is only an estimate based on information provided. It may differ from their actual benefit amount.

PART 2:

How Employees Apply for Full & Partial Unemployment

It is up to your employees to apply directly to the State for unemployment benefits. The State is very strict and each employee must submit and change his or her own application for unemployment. However, your decision as an employer does determine the information employees will need to apply for unemployment.

	What Employees Need to Know to Apply:
Full Unemployment	<ul style="list-style-type: none">• Their separation date• Reason for separation, including whether their separation was due to COVID-19
Partial Unemployment	<ul style="list-style-type: none">• Their last date worked at full employment• Reason for separation, including whether their separation was due to COVID-19• Date when they will return to work

We encourage you to be clear with your employees in these uncertain times. Partial unemployment represents a very temporary leave, generally, four weeks or less, with return to work dates determined before the leave begins, while full unemployment is for longer durations, which is what we expect during this time of crisis. And if you elect to allow your employee to take partial unemployment, you need to set the expectation with your employee that they have a specific return to work date.

Guidance on FFCRA:

There are concerns that the lack of clarification in the new Families First Coronavirus Response Act (FFCRA) could enable employees to collect partial unemployment and paid, job-protected FMLA leave under the FFCRA, but final guidance on this is currently not available. With that said, at this time, until further clarification is available, employers are encouraged to utilize full separation with their employee, so that their employee can apply for full unemployment. For more information, read our [Employer's Guide to FFCRA](#).

Apply Online:

For both public safety and increased efficiency, the State of Hawaii Unemployment Insurance Office is requiring all employees to submit their unemployment application online [here](#).

In addition to the above, employees will need the following information:

- Correct employer name
- Social security number
- Contact info
- Valid email
- Dates of employment over the past 18 months
- Past employer's names, addresses, and phone numbers
- Reason for separation
- Direct deposit info (account type, account, and routing number). In the state of Hawaii, having a direct deposit account is required to get paid

Steps to Apply:

1) Employees must create an account on the State's unemployment website, [UI Online](#).*

- Select "claimant registration" to begin.
- Once they have created an account, they will be emailed a temporary password that will expire within 24 hours.
- Sign back into the "claimant login - username" section of [UI Online](#). Type in the temporary password and follow the instructions to create a personal password.
- Once they have registered with a permanent password and completed the security questions, they will be able to submit their application (or claim) for UI benefits.
- Make sure they write down their username, password, and the answers they provide to the security questions in case they need this information in the future.

Note: If they did not receive an email with their username and temporary password after submitting their registration, then their registration did not go through. They need to complete the registration process again. If they did receive an email with their temporary password and the password has expired, they need to complete the registration process again. The temporary password expires 24 hours after the email is sent.

* They can also schedule an appointment over the phone by calling (833) 901-2722.

2) For first time filers, file a new claim using this web form. For help on how to complete the webform, review this resource.

Note: When they file a claim using the webform, they should immediately receive a congratulations message. If they did not receive this, they will need to file the claim again. They should also receive a confirmation email within two weeks of filing. They can check the status of their UI claim [here](#) by completing the "Unemployment Benefits Claim Status Form."

3) File weekly claim certifications. They need to submit a claim certification every week.

- Sign into their [UI Online account](#) (“Claimant Login”).
- Select “File a Claim certification.”
- For instructions on how to file a claim certification, read this [PDF](#), or watch this [instructional video](#).

When to File:

Employees can file a claim online only during these times:

- Monday through Friday: 6:30 a.m. to 11:00 p.m.HST
- Weekends and Holidays: 9:00 a.m. to 11:00 p.m. HST

To reactivate or update employment:

- Monday through Friday: 6:30 a.m. to 5:30 p.m. HST
- Weekends and Holidays: 9:00 a.m. to 5:30 p.m. HST

To file an appeal:

- Monday through Friday: 6:30 a.m. to 5:30 p.m. HST
- Weekends and Holidays: 9:00 a.m. to 5:30 p.m. HST

Direct Deposit and Federal/State Tax Withholding updates:

- Monday through Friday: 6:30 a.m. to 5:30 p.m. HST
- Weekends and Holidays: 9:00 a.m. to 5:30 p.m. HST

Note: The State UI office and website are experiencing a high volume of users attempting to file claims in the wake of the COVID-19 global pandemic. Therefore their response time may be delayed and they may receive error messages and/or dropped connections. The State apologizes for any inconvenience and encourages them to try again later.

No computer access:

The State has set up a call center with two numbers to assist people who need to file for unemployment. The labor department is currently working on improving their current online claims filing process and does not allow walk-in and in-person requests.

- To get assistance with a password reset: 833-901-2722
- To set up an appointment for over-the-phone applications: 833-901-2275

Employees may also complete their claim application using a mobile device.

Post-Application:

Please be sure to follow all instructions provided by the State. Make sure they also submit their resume as directed (see below).

Once they submit their application and complete the resume submission, the State will contact their various employers and/or ProService to verify the information they provided in the claim. If there is missing information the State needs from the employee, the State will contact them directly. If their application is approved, the State will make the determination on the benefit amount. They can log in to the UI website at <http://uiclaims.hawaii.gov/> to check the status of their claims.

PART 3:

Additional Federal Unemployment Programs

Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, they may qualify for **additional federal benefits**.

- Assistance Program for Lost Wages (aka “FEMA Benefit”)
- Pandemic Emergency Unemployment Compensation (PEUC)
- Pandemic Unemployment Assistance (PUA)
- [Expired] Federal Pandemic Unemployment Compensation (FPUC)

FEMA Benefit: <i>5 weeks retroactive to August 1, 2020</i>	Extra \$300*
PEUC Benefit: <i>13 weeks once State UI Benefits have been exhausted. Expires December 31, 2020</i>	\$TBD (what you qualified for under State Unemployment)
PUA Benefit:	\$TBD
FPUC Benefit: <i>March 28 - July 25, 2020 (expired benefit)</i>	Extra \$600

FEMA Benefit:

A new Executive Order was signed on August 8, 2020, to authorize the “Assistance Program for Lost Wages” which will provide an additional **\$300 per week** on top of a worker’s regular unemployment benefits. We refer to it as the “**FEMA Benefit**” because it is a program administered by the Federal Emergency Management Agency (FEMA).

As of September 8, the Hawaii Unemployment Department has not yet announced when eligible workers can expect to receive the extra \$300 weekly benefit. However, we do know that this benefit will be retroactively applied to five weeks of an employee’s unemployment beginning August 1. From there, FEMA will distribute more funds on a weekly basis to ensure that all states taking advantage of the FEMA Benefit have sufficient funds until such funds run out.

Employees will likely be eligible for this benefit if they are fully unemployed or partially unemployed due to COVID-19 and currently receive at least \$100 per week in unemployment insurance benefits from a state or federal unemployment compensation program.

Employees do not need to apply for this benefit. It will be automatically added to existing unemployment benefits so there is no separate application to fill out.

PEUC Benefit:

Through the CARES Act, state unemployment benefits can be extended for an *additional 13* weeks through the **Pandemic Emergency Unemployment Compensation (PEUC) program**. This means that an employee can receive unemployment benefits for up to 39 total weeks. In order to qualify, employees must exhaust their state unemployment benefits and apply separately to receive PEUC benefits. The State has provided [these instructions](#) on how to apply for PEUC benefits. The payments may take 14-21 days to process.

<http://labor.hawaii.gov/ui/peuc/>

PUA Benefit:

The federal government's CARES Act also provides a separate program for Pandemic Unemployment Assistance (PUA) that extends eligibility to individuals who **normally do not qualify for traditional unemployment benefits**.

It extends eligibility to individuals who:

- Are self-employed, including gig workers, freelancers, and independent contractors
- Are seeking part-time employment
- Have an insufficient work history to qualify for benefits
- Have exhausted all rights to regular or extended benefits under state or federal law or to PEUC benefits
- Have been laid off from churches and religious institutions and are not eligible for benefits under state law
- Are otherwise not qualified for regular or extended benefits or PEUC benefits

Note: PUA benefits recipients will likely also qualify for the FEMA Relief since the minimum approved weekly benefit amount is \$200.

<https://labor.hawaii.gov/pua/>

FPUC Benefit:

From the week of March 28, 2020, through July 25, 202, they may have received an additional **\$600 per week** in federal benefits starting the week of March 28 through July 25, 2020, as part of an expired benefit under the Federal Pandemic Unemployment Compensation (FPUC) program, also known as the **"Federal \$600 Plus Up."**

PART 4:

Frequently Asked Questions

Answers to *Employer* Questions:

Who determines an employee's eligibility for unemployment benefits?

The State Department of Labor Unemployment Insurance Division will determine their eligibility for unemployment benefits. Generally, if they are still considered employed, but there are no hours or reduced hours because there is little or no work to do, they will likely be eligible for Partial Unemployment benefits. If they have been laid off and are no longer an employee, they may be eligible for Full Unemployment benefits. Each case is unique.

What if my employee does not want to fully separate from employment?

This is an opportunity to express empathy to the employee and assure them that it is not a personal decision but one that must be made in the best interest of the business. Employers can share with employees, as appropriate, that the employees may be rehired in the future. The choice is up to the employer.

Am I responsible for paying for unemployment?

For most employers, unemployment is paid through funds held by the State of Hawaii that have been paid by the employer via unemployment tax. Employer tax rates are set each year and are based on prior experience and prior tax paid.

In the event that your employees' unemployment claims exceed the amount paid overtime by the employer, the employer is not responsible to pay the additional amount. The employer's future unemployment tax rate will likely increase, but in times of economic hardship, that is normal and expected. We cannot predict what future rates may be, as they are set by the State of Hawaii, however, your tax rate for 2020 will not change. New rates for 2021 will be mailed to employers by March of 2021.

For self-financed/self-insured employers (limited to non-profits who have applied to be self-financed for unemployment), claims are paid by the employer.

Am I obligated to offer health insurance for employees on partial or full unemployment?

Employers are not obligated to offer health insurance to employees on full or partial unemployment unless the employee is still working 20 or more hours per week.

You may still provide employees with access to their regular health insurance plans if you'd like. **ProService is allowing client partners to extend coverage to employees furloughed or laid off**

for three months if the employer pays the premium in full. This is your decision as a business owner, it is an option and not required. Any decision to extend coverage (or not) should be made uniformly, across all like-employees in order to avoid discrimination and inequitably.

If you won't be extending coverage, employees may be eligible for COBRA or they may need to acquire health care insurance on their own. COBRA is the Consolidated Omnibus Budget Reconciliation Act and includes the opportunity for a temporary extension of health coverage (called continuation coverage) in certain instances. If they are eligible for continued health coverage, they will receive this information in their Benefits term notice. Continued coverage under COBRA is not guaranteed and is not free of charge.

Alternatively, anyone who has not returned to work or found alternative employment should apply for health coverage through HealthCare.gov within 60 days of their loss of coverage, but preferably at least 5 days before their coverage ends. There is no waiting period for pre-existing health conditions and applicants cannot be declined if they apply within 60 days of their loss of coverage.

Unemployment recipients, or even those who are without work and do not have access to unemployment (like 1099 contractors), may apply for health insurance via HealthCare.gov and receive a subsidy to offset their costs. Coverage can be as little as \$1 per month with the subsidies.

Can I or ProService submit an employee's UI application for them?

No, the State is very strict and each employee must submit and change his or her own application for UI.

If I decide to separate my employees or reduce their hours, can ProService write the employee letters for me?

If you are a ProService client, we can provide you with templates to create individual letters for each of your employees should you decide to pursue a layoff or reduction of hours.

Can they get unemployment benefits through the Families First Coronavirus Response Act (FFCRA)?

No, the FFCRA is a new federal law that went into effect on April 1, 2020. The FFCRA provides emergency sick leave and child care leave, related to COVID-19, and is not a form of UI. For more information on FFCRA, [read our guide](#).

How can I get additional support on unemployment?

As a ProService client, we can help coach you through this process.

We can help you work with the Unemployment Insurance office, provide instructions to file, and can assist with following up on claims.

We will continue to:

- Process low earnings report requests online via the Unemployment Insurance office's web portal for employees who are working less than full-time hours per week.
- Process separation information requests on your behalf and may reach out to you for further information surrounding the details of the separation.
- Work with you to prepare and conduct hearings on your behalf, should an employee appeal the Unemployment Insurance office's decision. The Employment Security Appeals Office (ESARO) continues to schedule appeal hearings during this time.
- Provide you with any and all decisions and correspondences received from the Unemployment Insurance office and ESARO and will include instructions if any follow-up action is required by you.

Answers to *Employee Questions*:

Is an employee eligible for unemployment if...

- **They're forced to stop working due to Stay-at-Home orders:**
Yes. If you're still attached to their employer and working reduced hours, or even zero hours (but still technically an active employee), then they are likely eligible for Partial Unemployment. If separated completely (e.g. laid off), then they are eligible for Full Unemployment benefits.
- **The business has shut down due to COVID-19**
Yes, they may be eligible for UI since they are no longer receiving pay from their employer.
- **The business has shut down due to COVID-19 but they're teleworking/working remotely**
No, they are still being paid so they are not considered "unemployed."
- **They're working reduced hours.**
Yes, they may be eligible for UI depending on how much they are still being paid and how many hours they are still working.
- **They're on sick/vacation leave but they aren't working.**
No, since they are receiving pay (as sick/vacation pay) and are still employed. Additionally, they would not qualify for Partial Unemployment benefits because they would be deemed to be not accepting all work offered.

- **They're an independent contractor, self-employed, or a gig worker.**
They are likely not qualified for State UI benefits. However, the Coronavirus Aid, Relief, and Economic Security (CARES) Act added benefits for lost wages for independent contractors and self-employed individuals. Employee benefits may be paid through the Pandemic Unemployment Assistance (PUA) program.
- **They have a family member who is sick with COVID-19 and they quit their job to care for them.**
They are likely not qualified for State UI Benefits. However, under the CARES Act, if they quit their job to care for a family member sick with COVID-19 then they may be eligible for federal benefits. Additionally, their benefits may be paid through the Pandemic Unemployment Assistance (PUA) program.
- **They're at home taking care of their kids because school and daycares are closed.**
They are not likely qualified for State UI Benefits. However, the Families First Coronavirus Response Act provides benefits for people who are at home caring for kids due to school and daycare closure. For more information on FFCRA, [read our guide](#).
- **They used up all of their UI benefits because they were receiving UI before COVID-19**
Yes, if they used up all their UI benefits after February 2, 2020, then they are eligible to receive 13 additional weeks of benefits under the CARES Act through the Pandemic Emergency Unemployment Compensation (PEUC) program. They must have a zero dollar (\$0) balance before they apply.
- **If they received a severance.**
Yes, employees receiving severance may still apply for UI. They may need to provide the severance information when they apply for UI benefits.

How long do employees need to be on payroll to receive UI benefits?

The UI office reviews the past 5 quarters of work history, so even if they haven't been with your business that long, prior employment can also be counted. They also consider why they left their previous jobs to see if those reasons qualify or disqualify them from receiving benefits. For State UI benefits, they must have worked at least 2 of the 4 quarter "base period" (either the first four quarters of the last five calendar quarters; or "alternate" base period of the last four completed quarters). For Federal UI benefits, the CARES Act has waived the minimum work history requirement.

Does the State still require employees to look for a job, even in the midst of the COVID-19 crisis?

The State provided several varying messages about this requirement. We strongly recommend they follow the directions given to them from the State when they submit their application. If they receive an email that instructs them to apply for jobs and they do not do so, their benefit

amount may be delayed or denied. Again, since some claimants are receiving messages that they do need to apply for jobs and some are not, we strongly recommend they follow the specific instructions the State sends them.

How do employees register their resume to be eligible for UI benefits?

They must be registered for work within seven calendar days after applying for UI benefits by posting their resume online in HireNet Hawaii at <http://www.hirenethawaii.com/>, the internet based job matching system used by the Workforce Development Division. If they are a member of a labor union with a hiring hall, they must submit Verification of Registration for Work (UC-226) from their union to verify they are in good standing and referable to work through their union. If they cannot be referred by their union, they must register for work in HireNet Hawaii.

Do employees need to reapply each week?

They must file a continued claim for each week that they wish to receive benefits and the continued claim must be filed on time.

When can employees expect to receive their unemployment benefits?

Claims may take up to or more than three weeks to be paid, particularly considering the increased demand for UI offices nationwide. If their payment is delayed, they will still be paid beginning with the effective date of their eligibility, as long as they submitted their application on time. If they submit their application late, there is no back pay.

Will taxes be deducted from employees' unemployment compensation?

Taxes on UI benefits are not automatically taxed. They must request withholding at the time of registration.

Why was their claim denied?

The State makes the final determination for qualified claims. Common reasons for disqualification include:

- They voluntarily quit their job without good cause.
- They were discharged for misconduct connected with their work.
- They refused a referral or an offer of suitable work without good cause.
- They are unemployed because of a work stoppage at their establishment due to a labor dispute.
- They are receiving or seeking other UI benefits.
- They committed fraud to collect UI benefits.
- Their social security number is incorrect
- They provided the wrong name for their employer.

More Questions?

Check the Hawaii State Department of Labor FAQs [here](#).

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Video instructions:
How to Apply for
Unemployment in Hawaii

proservice.com/apply/unemployment

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