



Reducing Cost, Increasing Compliance: Managing Unemployment The Right Way in 2020

Presented by: Meghan Avery, SVP

Educating the marketplace, one client at a time.

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Who is UTCA?

- 29 years as the industry leader in unemployment cost management
- Offices in Springfield, Worcester and Boston
- Full Service Third Party Agent (TPA) representing employers of all sizes and industries.

Why Do I Care?

- **Overlooked area of cost**
 - Adds workforce expense
 - Bottom line impact
- **Misinformed unemployed statistics**
 - Turnover industries persist
 - “Grass is Greener” increase
 - Part-timer nickel and dimers
 - MA benefit rates continue to increase
- **Controllable**
 - Insurance, not public assistance



Most in Mass



Weekly Benefit Amount

\$823

Total Potential Liability

\$21,398

(26 Weeks)

Weekly Dependent Allowance:

\$25 per dependent / up to 50% of the WBA (\$385)



Tax Rated

- Payments based on assigned tax rate and your taxable payroll
- Charge relief / subsequent employment

Reimbursable

- Alternative method available to registered 501C 3
- “Dollar for Dollar”

Top of Mind

- 2020 Mass. Tax Rate Notices coming soon
- PHEW – Staying on Schedule “E”
- Don’t miss it!
 - Snail mail
 - DUA Online
 - Payroll Vendor

Breaking Down Your Rate

- Limit higher tax payments lies in **controlling benefit charges**
- This shows one claimant collecting 70% of their potential = **\$14,962** in tax liability

HOW YOUR 2019 CONTRIBUTION RATE IS COMPUTED:

1. Your beginning ACCOUNT BALANCE as of 10/1/2017:	\$30,634.37
2. Plus CONTRIBUTIONS PAID through 10/31/2018:	\$8,435.79
3. Minus the BENEFIT CHARGES to your account:	\$14,511.00
4. Minus the UNAPPLIED CREDITS/REFUNDS to your account:	\$0.00
5. Minus the SOLVENCY ASSESSMENT (3rd Year WAGES, 10/1/2017 through 9/30/2018 x 0.69 *):	\$2,844.13
6. Any ACCOUNT BALANCE ADJUSTMENTS (+ or -):	\$0.00
Includes Voluntary Contribution payment of \$0.00	
7. Any transfer of EXCESS RESERVES (+ or -):	\$0.00
8. These amounts equal your ACCOUNT BALANCE as of 9/30/2018:	\$21,715.03
9. Average Annual Wages Subject to Contributions over the last Three Years:	\$341,652.21
- 1st Year Wages, 10/1/2015 through 9/30/2016: \$299,367.19	
- 2nd Year Wages, 10/1/2016 through 9/30/2017: \$313,396.16	
- 3rd Year Wages, 10/1/2017 through 9/30/2018: \$412,193.28	
10. This results in RESERVE PERCENTAGE of:	6.35%
11. This percentage has been applied to 2019 Experience Rate Schedule E	
12. Your 2019 UI Contribution Rate is:	3.630%

Breaking Down Your Rate

- Disqualifying that one claim equals tax liability of **\$9,975** , a direct tax savings of **\$4,536**.

Beginning Account Balance as of	10/1/2017	\$	30,634.37
Plus CONTRIBUTIONS PAID through	10/31/2018	\$	8,435.79
Minus BENEFIT CHARGES to your account		\$	-
Minus REFUNDS to your account		\$	-
Minus SOLVENCY ASSESSMENT	0.69%	\$	2,844.13
ACCOUNT BALANCE ADJUSTMENTS		\$	-
Any transfer of EXCESS RESERVES		\$	-
Ending Account Balance:	9/30/2018	\$	36,226.03
Your account balance is divided by a three-year average of your reported "Wages Subject to Contribution"		\$	341,652.21
RESERVE PERCENTAGE:			10.60%
2019 Tax Rate:			2.420%

Rules of Engagement

Employer or agent responsibility

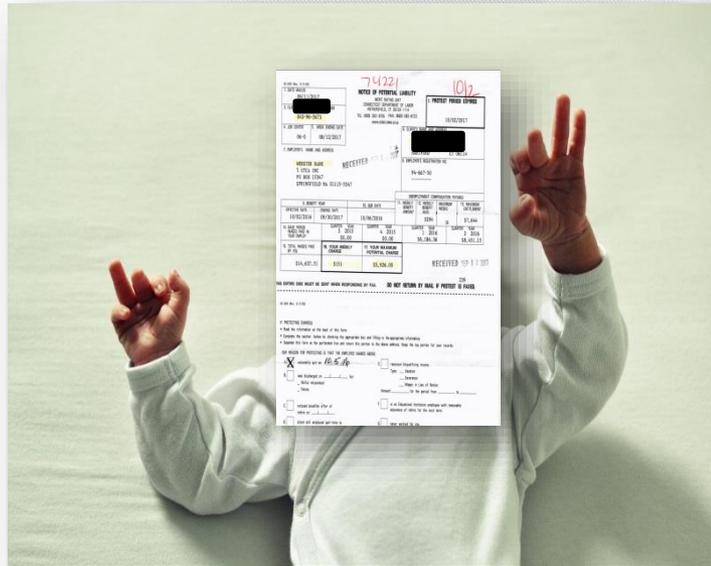
- Diligence - Check early and often
- Pro-active - Have a process
- No “hand holding”
- Benefit Integrity
 - Timeliness and Adequacy



Consequences

- Missed opportunities to protest costly claims
- Increased charges, higher tax rates
- Wasted time and resource drain – chasing poor cases

The Circle of (Claim) Life

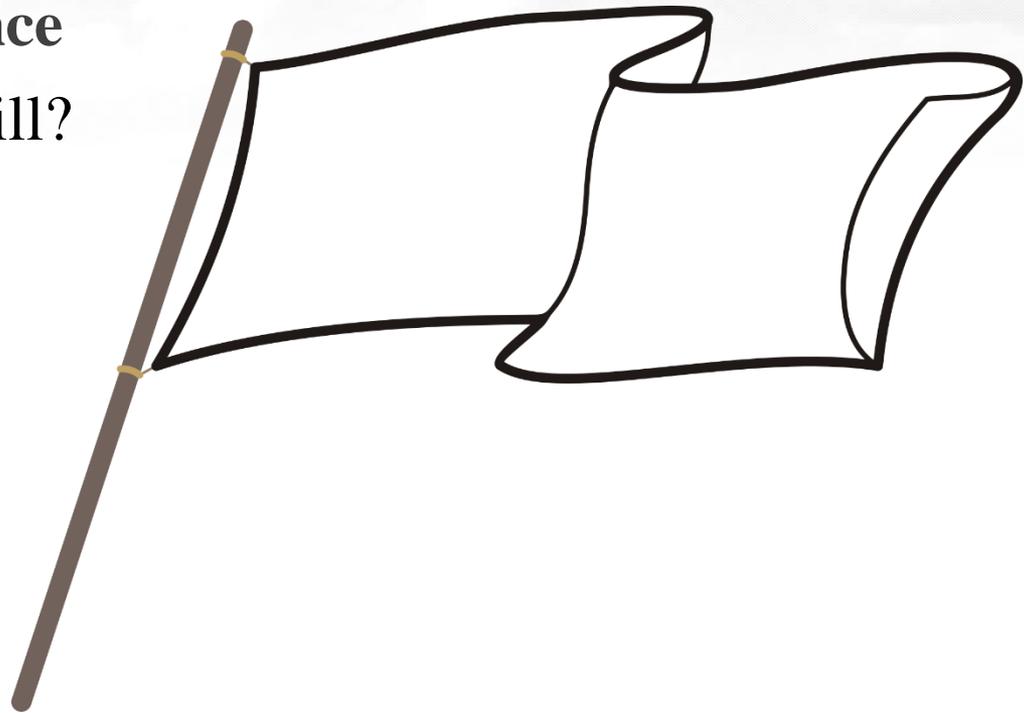


- Eligibility criteria - Able and Available standard
- Information request and correspondence
- Initial Determination Process
- Hearing and Appeals



Taking a Knee

- **Lack of Work**
 - Not a “consolation” prize
- **Poor Job Performance**
 - Lack of effort or skill?

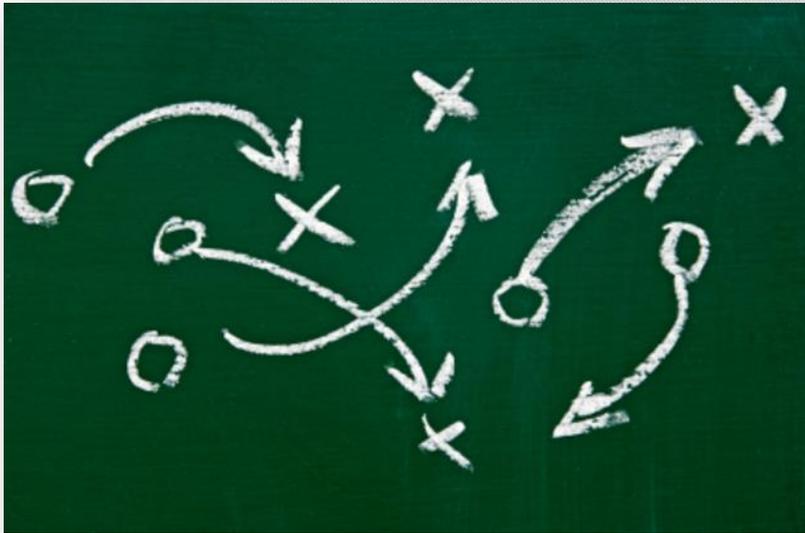


Protesting with Purpose

- **Voluntary resignations**
 - “Good Cause”
 - Attempts to preserve
- **Discharges**
 - Deliberate misconduct
 - Violation of policy
- **Still Employed**
 - Terms of hire
 - Accepting available work



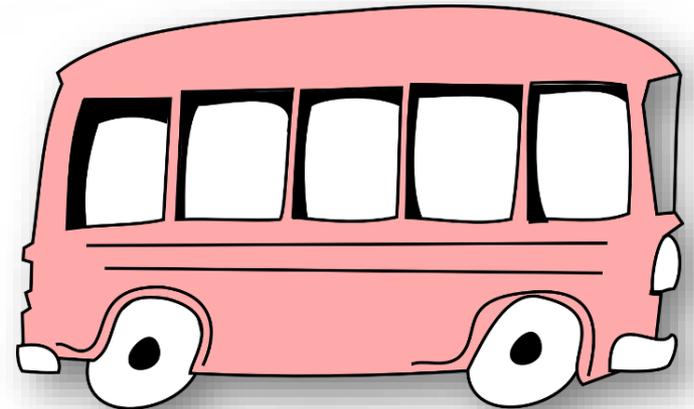
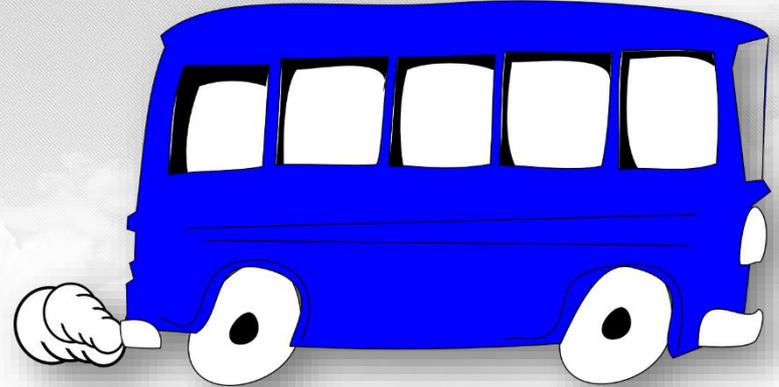
Game Plan



- Employee handbook
- Corrective action procedure
- Absenteeism & attendance
- Investigative / corrective suspensions
- “Acknowledgement of receipt”
- Strong documentation

UI Hearings: In the Line of Fire

- Credibility is key
- No hearsay
- Direct knowledge witnesses are vital
- Blue bus vs. Pink bus



Not So Common Sense

APPROVED



DENIED



Overloaded?

- Best practices = best outcomes
- Don't overlook this savings opportunity
- Not sure where to start?
 - No-obligation assessment



Meghan Avery, SVP
mavery@utcainc.com
413-732-8084

