

CORONAVIRUS

COVID-19

Impact on unemployment: Ohio FAQ

Sedgwick is working to ensure our clients are kept abreast of the ever-changing legislation and its impact on their business and their workforce. The following frequently asked questions are intended to provide general guidance and are based on questions received during a recent webinar.

Benefit taxability**Taxability of unemployment benefits**

Q. What taxes is Ohio state unemployment subject to?

A. Unemployment benefits in Ohio are considered taxable income. Tax Form 1099-G will be issued to those who receive benefits. We suggest contacting your tax filer to discuss the specific taxability of this income.

Eligibility**Continuing income**

Q. Are employees required to use their vacation or PTO before filing for unemployment due to temporary layoff?

A. No, the use of vacation or PTO time during temporary layoff is something the employer can decide on. Most employers in Ohio give the option to the employee but do not require it.

Expanded coverage - self-employed, independent contractor, freelance

Q. How to apply as self-employed?

A. The CARES Act does include language to expand coverage to those who do not generally qualify for unemployment coverage. The state of Ohio is still in the process of updating filing requirements to meet the CARES Act changes. We are continuing to monitor this for updates. In the meantime, we suggest that you also keep an eye on the [ODJFS site](#) for any relevant updates.

Expanded coverage - self-employed, independent contractor, freelance

Q. How about loss of work on self-employed?

A. The CARES Act does include language to expand coverage to those who do not generally qualify for unemployment coverage. The state of Ohio is still in the process of updating filing requirements to meet the CARES Act changes. We are continuing to monitor this for updates. In the meantime, we suggest that you also keep an eye on the [ODJFS site](#) for any relevant updates.

Expanded coverage - self-employed, independent contractor, freelance

Q. How does this affect us as business owners? If we are forced to shut down will we, the owners, be able to apply for unemployment? There are 3 of us and we all take a paycheck every week and pay into unemployment every week on our pays as well. Do we qualify for unemployment during this pandemic?

A. Generally, if unemployment taxes were paid on your wages, then you should be eligible for benefits.

The CARES Act does include language to expand coverage to those who do not generally qualify for unemployment coverage. The State of Ohio is still in the process of updating filing requirements to meet the CARES Act changes. We are continuing to monitor this for updates. In the meantime, we suggest that you also keep an eye on the [ODJFS site](#) for any relevant updates.

Expanded coverage - self-employed, independent contractor, freelance

Q. How does a self-employee individual apply for benefits? / Do you have any information about applying for unemployment benefits as a self-employed person?

A. The CARES Act does include language to expand coverage to those who do not generally qualify for unemployment coverage. The State of Ohio is still in the process of updating filing requirements to meet the CARES Act changes. We are continuing to monitor this for updates. In the meantime, we suggest that you also keep an eye on the [ODJFS site](#) for any relevant updates.

Expanded coverage - self-employed, independent contractor, freelance

Q. What if you are a small business owner and 75% of the people you do business with have been closed due to being deemed non-essential businesses? As the owner of the company, am I going to be eligible to collect unemployment if the company is not making enough money to cover payroll?

A. The CARES Act does include language to expand coverage to those who do not generally qualify for unemployment coverage. The State of Ohio is still in the process of updating filing requirements to meet the CARES Act changes. We are continuing to monitor this for updates. In the meantime, we suggest that you also keep an eye on the [ODJFS site](#) for any relevant updates.

Mandatory quarantine

Q. The ODJFS states that employers can also quarantine. You only mentioned medical providers, so just double checking.

A. Yes, if an employer places someone off work (i.e., in quarantine), that individual will qualify for unemployment benefits.

Minimum eligibility requirements

Q. If we have employees who have worked less than 20 weeks, they are not eligible for unemployment pay?

A. That is the standard state minimum requirement in Ohio. However, the CARES Act does include an expansion for those who have typically not been eligible. This expansion includes those who do not meet the earnings or minimum work requirements. We are awaiting further details on exactly what the expansions are.

Non-consecutive week filing

Q. Can employees jump in and out of unemployment?

A. Yes. Weeks filed do not need to happen consecutively. Individuals in Ohio can collect benefits for up to 39 weeks if they are filing due to COVID-19 issues.

Return to work refusal

Q. How do you notify the unemployment agency that you have offered the employee work and they refuse?

A. Employers who managed their own unemployment can notify the state of Ohio online via the "[Report Potential Claimant Eligibility Issue](#)." Our clients can simply notify our specialist and we will take it from there.

Return to work refusal

Q. How does an employer contact the unemployment agency to request them to stop paying an employee who refused to return to work?

A. Employers who manage their own unemployment can notify the state of Ohio online via the "[Report Potential Claimant Eligibility Issue](#)." Our clients can simply notify our specialist and we will take it from there.

Federal Supplement

\$600 federal supplement eligibility

Q. Will part timers who don't qualify for Ohio unemployment benefits still receive the federal \$600 benefit?

A. No, our current understanding is that meeting the state eligibility requirements is mandatory.

\$600 federal supplement eligibility

Q. How does a part time employee become eligible for the federal \$600 UI payment if they are not eligible for the state of Ohio's UI benefit?

A. Our current understanding is that meeting the state eligibility requirements is mandatory in order to receive the supplement.

\$600 federal supplement eligibility

Q. Doesn't the state of Ohio have to buy into federal CARES Act to get access to the \$600?

A. Yes. While it is possible that the state of Ohio could decline, the additional funding and relief being made available in the CARES Act makes that seem like an unlikely outcome.

Funding

Late fees waiver / ODJFS

Q. Please provide more information about the late fee for filing first quarter.

A. As we understand the details now, fees for late filings of contribution reports and taxes will be waived during the emergency period. We will continue to monitor for additional details.

Process

Employee filing process/guidance

Q. I understand that people are struggling to get their claims accepted on the website. I saw someone reference the "2000180" when saying they were denied. Can you provide guidance regarding how the individual is supposed to apply?

A. Yes. This will insure the state is able to quickly and easily track the claim as being a COVID-19 issue.

Employee filing process/guidance

Q. When the associate files for unemployment, do they have to indicate that they were laid off due to COVID-19 in order for it to be flagged that way on the employer side so we aren't dinged with an increase next year?

A. Yes, we strongly urge all applicants filing in Ohio due to COVID-19 to use the mass layoff code of 2000180.

Employee filing process/guidance

Q. Is there a mass layoff code that the employee should use?

A. Yes, we strongly urge all applicants filing in Ohio due to COVID-19 to use the mass layoff code of 2000180.

Employee filing process/guidance

Q. What are the proper procedure / information we need to give employees should they need to file for unemployment?

A. We have included links to the [sites](#) well as a frequently asked questions document for claimants.

FFRCA/FMLA impact on unemployment

Q. Does the FMLA Emergency Expansion and FFCRA interface with unemployment?

A. We are not aware of any direct integration between these programs. If an individual is on paid leave and attempts to collect unemployment, we suggest you notify your unemployment vendor. If you do not outsource claims management processes, you should immediately notify the ODJFS via their website using the "[Report Potential Claimant Eligibility Issue](#)."

Forms / process questions

Q. We are a school district and part time substitute employees and we are receiving two different filings... One for "Request for Information" - between term disqualification and another claim for Employer Separation Information. What is the purpose of both of these?

A. While these forms are likely seeking similar information, they are essentially exploring two angles. (1) details around the separation and its impact on eligibility, and (2) chargeability for your district. If you would like to discuss in-depth, please contact us at unemployment@sedgwick.com.

General question on fraud claims

Q. Do you expect ODJFS to become more lax on fighting fraud claims?

A. No, we expect the state to remain diligent on this issue. Sedgwick will also continue to audit all claims and benefit charges to insure that our clients are not impacted by fraudulent claims.

National / General FAQs

Benefit taxability

Taxability of unemployment benefits

Q. Is unemployment subject to Social Security/Medicare tax?

A. No, unemployment benefits are not subject to Social Security or Medicare taxes.

Eligibility

As-needed employees

Q. What about unemployment for substitute teacher during this time- are they eligible for this unemployment?

A. Yes. This will be driven by the amount of pay the individuals receive versus their individual weekly benefit amount. The state has a computation method for deducting income from benefits.

COVID-19 eligibility

Q. What about an employee who self-quarantined due to COVID-19 type symptoms prior to these unemployment regulations being passed?

A. Voluntarily removing one's self from the workforce is not a covered issue. They will not be deemed eligible for benefits. To be eligible, the quarantine has to be under the order of doctor or the employer.

Expanded coverage - self-employed, independent contractor, freelance

Q. What if you are a freelance worker who has a day job? Your day job may be unaffected, but you are losing much of your freelance earnings. Are you eligible to claim unemployment as independent contractor for the lost freelance earnings?

A. Possibly. The CARES Act does expand coverage to freelance workers, but there would still be potential issues with the amount of ongoing income in the weeks in which you file for unemployment benefits.

Layoff - furlough issues

Q. Can an employee be furloughed rather than terminated and eligible for benefits?

A. Yes. The state does not differentiate between being laid off or being furloughed.

Leave versus layoff

Q. Should I lay my employees off, or should I pay them to stay home?

A. We cannot provide guidance around such a business decision. We can offer insight around the impact of either situation specific to unemployment. Please contact us at unemployment@sedgwick.com to discuss.

Lost childcare

Q. What if an employee voluntarily leaves work because of no childcare, are they eligible for unemployment?

A. Currently leaving work due to a loss of childcare is not an issue that will qualify for unemployment benefits. Our understanding is the Families First Coronavirus Response Act includes expanded leave coverage for these issues.

Lost childcare

Q. Is unemployment or the FFCRA is best option for dropping to part time to care for children?

A. Leaving work due to a loss of childcare is not an issue that is eligible for unemployment benefits. We would recommend reviewing the FFCRA for leave options.

Lost childcare

Q. Our organizations is over 500 employees so the FFCRA will not apply. Is there anything for employees with children at home due to school or day care closure?

A. Leaving work due to a loss of childcare is not an issue that is eligible for unemployment benefits. We would recommend reviewing this with your benefits administrator or if you have a leave/disability vendor they should be able to offer guidance.

Lost childcare

Q. If people have telework available, but no childcare - so trying to work from home while watching children, would they qualify for unemployment should they struggle to balance both?

A. Leaving work due to a loss of childcare is not an issue that is eligible for unemployment benefits. We would recommend reviewing the FFCRA for leave options.

Lost childcare

Q. If an employee drops to part time to take care of children due to school and daycare closures, are they eligible for unemployment?

A. Leaving work due to a loss of childcare is not an issue that is eligible for unemployment benefits. We would recommend reviewing the FFCRA for leave options.

Non COVID-19 layoffs

Q. Are layoffs not due to COVID-19 tied in or covered by CARES Act?

A. No, the CARES Act provides expanded benefits and relief specifically for COVID-19 related issues.

Reduced hours claims

Q. If their hours are reduced, can they receive unemployment for the missing hours?

A. Yes. This will be driven by the amount of pay the individuals receive versus their individual weekly benefit amount. The state has a computation method for deducting income from benefits.

Reduced hours claims

Q. What if an employee has two jobs and is laid off from only one. Can they claim unemployment benefits?

A. Yes. This will be driven by the amount of pay the individuals receive versus their individual weekly benefit amount. The state has a computation method for deducting income from benefits.

Return to work refusal

Q. If an employee collecting unemployment is asked to come back to work but they refuse, can we request unemployment to be stop paying them?

A. Yes. If an individual is requested to return to work at the end of the lay off and they decline that would be viewed as a job refusal. Please notify your Sedgwick, CompManagement, or Careworks specialist immediately in the event this occurs.

Short term disability

Q. If an employee is off on STD, are they eligible for unemployment?

A. No, if someone is on medical leave or disability, they will not be eligible for unemployment.

Short term disability

Q. Unemployment is only available for those in quarantine but not those on medical leave due to illness?

A. If someone is on medical leave they will not be eligible for unemployment benefits. The only exception is if they are under mandatory quarantine for COVID-19.

Summer break - teachers

Q. How will this affect substitute teachers, who normally are denied over the summer?

A. We anticipate that once we surpass the planned last day of school, these COVID-19 layoffs would then become summer shutdowns (for the schools). At that time, we expect the standard claim management process to resume - if the teacher was given reasonable assurance to return next school year, we would expect benefits to stop at that time.

Summer break - teachers

Q. Can substitute employees in schools be considered under COVID-19 because we have NO work for them at all right now? Even though they may not always work during regular school time.

A. Yes. Benefits will be calculated based upon their average weekly wage, so even part time employees often qualify for benefits at a reduced rate.

Voluntary removal/non-mandatory quarantine

Q. What if someone has to move due to not being able to stay with someone who is at risk because their job is working with the public? This has made it difficult for her to be at work. Could you get unemployment?

A. This person would likely not be eligible for unemployment benefits. Voluntarily removing one's self from the workforce is not a covered issue. They will not be deemed eligible for benefits. To be eligible, the quarantine has to be under the order of doctor or the employer.

Voluntary removal/non-mandatory quarantine

Q. We are an essential business and following all guidelines. But if an employee says they don't feel safe and want to go home, can they apply for unemployment?

A. Voluntarily removing one's self from the workforce is not a covered issue. They will not be deemed eligible for benefits.

Federal supplement

\$600 federal supplement eligibility

Q. Please explain the \$600 per week. This is in addition to what they would qualify for?

A. Yes, any individual who is receiving any portion of state unemployment benefits will be eligible for the entire \$600 federal supplement.

\$600 federal supplement eligibility

Q. Does a person need to do anything to receive the federal additional \$600 per week, or will this be automatic if you are receiving unemployment due to COVID-19?

A. Our current understanding is that individuals collecting state unemployment due to COVID-19 will be eligible for the \$600 federal supplement. We are awaiting details on timing as well as any additional steps required by the claimants.

\$600 federal supplement eligibility

Q. Is the \$600 for full time and part time employees? If an active employee who is currently working but seeking partial unemployment due to reducing hours, are they eligible for the \$600 additional?

A. Yes, any individual who is receiving any portion of state unemployment benefits will be eligible for the entire \$600 federal supplement.

\$600 federal supplement eligibility

Q. What if they don't receive any state benefits? Do they still get the \$600?

A. No, our current understanding is that meeting the state eligibility requirements is mandatory.

\$600 federal supplement eligibility

Q. If an employee has worked less than 20 weeks, are they still eligible for the \$600/week federal?

A. Yes, any individual who is receiving any portion of state unemployment benefits will be eligible for the entire \$600 federal supplement.

\$600 federal supplement eligibility

Q. Do employees get the full \$600 or is it up to their full wage?

A. Yes, any individual who is receiving any portion of state unemployment benefits will be eligible for the entire \$600 federal supplement. This will result in many people receiving income above their prior earnings.

\$600 federal supplement eligibility

Q. Worked less than 20 weeks, no state unemployment, but would they get the \$600 fed pay?

A. No, our current understanding is that meeting the state eligibility requirements is mandatory.

\$600 federal supplement eligibility

Q. If already laid off seasonal worker, but can't go back to work due to COVID-19 can they get additional \$600?

A. Yes, once the reason for lay off moves from seasonal to "COVID-19" we would anticipate the impacted individuals would be to qualify for the \$600 federal supplement.

\$600 federal supplement eligibility

Q. We are not subject to FUTA/federal unemployment. Will our employees be eligible for the extra \$600?

A. Our current understanding is that meeting the state eligibility requirements is mandatory. However, the CARES Act also includes an expansion of who is eligible for unemployment benefits including those who have historically be excluded from coverage (self-employed, independent contractors, gig workers, etc.). Once these details are better defined we will have a better understanding of who will benefit from the expanded coverage.

\$600 federal supplement eligibility

Q. So in the example just given of the person making \$300 getting \$150 a week, in addition they'd get the \$600 per week?

A. Yes, any individual who is receiving any portion of state unemployment benefits will be eligible for the entire \$600 federal supplement.

\$600 federal supplement eligibility

Q. What happens if an employee receives their 50% state unemployment and the \$600 federal weekly payment and it is MORE than their weekly pay?

A. Yes, any individual who is receiving any portion of state unemployment benefits will be eligible for the entire \$600 federal supplement. This will result in many people receiving income above their prior earnings.

\$600 federal supplement funding

Q. Will those who collect the federal supplement receive it retroactively?

A. We do anticipate the federal supplement to be paid out retroactively to those have been receiving unemployment benefits.

\$600 federal supplement funding

Q. If we are a reimbursing employer, will the additional \$600 payment be charged to us, or will it come directly from the federal government with no impact on reimbursing employers?

A. No, this supplemental compensation is funded by the federal government. We do not anticipate any portion of the supplemental payment being pushed back to the employers.

\$600 federal supplement funding

Q. Is the \$600 payment subsidized by the federal government for reimbursing employers?

A. Yes, this supplemental compensation is funded by the federal government. We do not anticipate any portion of the supplemental payment being pushed back to the employers.

\$600 federal supplement logistics

Q. I thought each state had to buy in to have employees receive that additional 600 per week!

A. This is our understanding too. While it is possible that some states could decline, the additional funding and relief being made available in the CARES Act makes that seem like an unlikely outcome.

\$600 federal supplement logistics

Q. What week does the \$600 start?

A. We have not yet seen the logistics on exactly how the payments will be processed nor have we seen the concrete date for them to start. We anticipate this to begin in the next 2 to 4 weeks.

\$600 federal supplement logistics

Q. Will the \$600 be automatically paid if they are getting unemployment, or does the person need to apply for it?

A. We have not yet seen the logistics on how this gets established. We anticipate it to likely be managed by the states. The states would already have record of the claims resulting from COVID-19 and will have already addressed eligibility as well.

\$600 supplement taxable income

Q. Will the \$600 be tax free?

A. We expect this \$600 to be handled just like the standard state benefit income, which is taxable. 1099-G forms have historically been issued for unemployment income.

Funding

Expanded coverage - self-employed, independent contractor, freelance

Q. Who pays the unemployment for the self-employed (contractors) for a school district?

A. For those who gain coverage under the CARES Act, we would anticipate these benefits to be funded by the federal government.

Process

Forms / process questions

Q. Will the employer still be required to fill out the necessary paperwork on unemployment? Whether allowing or denying?

A. Yes. We strongly urge employers to respond to all forms received so the state is certain an individual was impacted by COVID-19. Not responding will result in extra work for the state agency as they will likely send follow-up requests and perhaps even call employers to confirm issues.