

PUGET SOUND UNEMPLOYMENT POOL COVID-19 FAQ

How is the Unemployment Pool handling Reasonable Assurance for the 2019-2020 school year considering COVID-19?

For the 2019-2020 school year, which includes the April 2020 spring break, the Unemployment Pool is **not** contesting benefits during the five-day spring break period. At the time the 2019-2020 reasonable assurance letters were sent, it was highly likely that guest employees would return to work after spring break. That is now inconsistent with the Governor's recent closure of schools for the rest of the 2019-2020 school year. Based on this, it is the Unemployment Pool's assessment that Employment Security and/or the Office of Administrative Hearings (OAH) will find benefits payable during this time. If your district disagrees with this approach and wants to contest benefits for that period based on reasonable assurance, please let us know in writing.

What about Reasonable Assurance for the 2020-2021 School Year?

As of 4/13/2020, there is no indication that schools will be closed in Fall 2020. We will process claims for reasonable assurance no differently than before for the summer 2020 break. As stated above, this may change as the facts change. We will keep you updated.

For the 2020-2021 school year, the Unemployment Pool suggests you send out your reasonable assurance letters as you normally would. We are hosting a virtual round table on this on May 12, 2020, and additional questions can be answered at that time.

Which employees should file for Unemployment Benefits?

Generally, substitutes should be directed to file for unemployment on standby. For certificated or classified employees, that should be a decision made by your school district.

How should an employee file for Unemployment Benefits?

Employees should go to the Washington Employment Security Department (ESD) website and apply for benefits online at <https://secure.esd.wa.gov/home/>.

Recommendations for filing online:

- Select the reason for unemployment as "Laid Off." If additional reasons are required, explain "Due to school closure as a result of COVID-19."
- The employee should also request Standby. Based upon emergency rules, standby can be requested for up to 12 weeks. However, anything beyond 4 weeks will still have to be approved by the school district.

How is the Puget Sound Unemployment Pool handling claims received from the Employment Security Department?

For our member districts in the Unemployment Pool, we are approaching our responses to RSIs (Request for Separation) as follows:

- We are processing our mail from the Employment Security Department three times a week. All claims will be entered on an Excel spreadsheet and include the employee's name, date started, date separated and reason for separation.
- We are keeping track of unemployment claims being received due to school closures as a result of COVID-19.
- Two times a week, we will send a list of claims received to each district via email.
- If the district agrees with the unemployment claim and approves standby, we will not be responding to ESD. If ESD does not get a response, standby is granted, and the employee's benefits will be granted barring any other issues.
- If the district disagrees with any details of the claim or the claim altogether, we will complete the RSI and return to Employment Security Department. ESD will proceed with their review of the claim based on their standard and emergency rules.
- At the 4-week mark we will send a list of all claims and each district will need to indicate which employees should have benefits and standby beyond 4 weeks. The Unemployment Pool will notify ESD with a list including each employee's name and SSN along with an expected return to work date.

What is Standby and why should we use it?

Standby waives the job search requirements while workers are collecting unemployment benefits. Employees must stay in contact with their employer. Employees must accept any work they can do without breaking isolation or quarantine offered by their employer, such as telework. Standby is available for full and part time employees.

Under emergency rules, requests for standby can be made for up to **12 weeks** by either worker or employer. For additional information, see the [COVID-19 page](#) on ESD's website.

Workers who have a probable return-to-work date with a current employer within **12 weeks** (increased from 4 weeks for emergency rules) can request standby approval for up to four weeks. Workers starting a new job with a new employer may also request standby within two weeks of an expected start date.

- **Employers** can request standby for employees with a probable return-to-work date within **12 weeks** of the date of the request (increased from 8 weeks for emergency rules). Employers should request standby using the "Request for Separation Information" form we send when a worker has applied for unemployment benefits.

Workers and employers will receive a standby decision in the mail.

- If approved, it starts with the date we receive the request.
- If denied, the requester can appeal our decision.

What if my employee received a Determination Letter denying standby?

Effective March 20, 2020, workers are allowed up to 12 weeks of standby. Since then, ESD has fixed the incorrect denials and issues from March 8, 2020 forward. If standby is approved, a second letter will be sent regarding the approval.

ESD's online application has been updated to reflect these emergency rules and new claims can request up to 12 weeks of standby. If your employees are still being denied standby, they may have made a mistake when they requested such as not providing a return to work date or asking for too many weeks (beyond 12). If an employee is denied standby, but you are not contesting the claim, instruct the employee to contact the Employment Security Department to correct.

What is CARES Act and Pandemic Unemployment Assistance (PUA) and how does it affect School Districts?

Currently, reimbursable employers are required to pay 100 percent of benefit charges. During the national emergency period, the federal government is offering some relief to reimbursable employers.

- *If the school district reduced hours or shut down to follow public health recommendations, the federal government will pay 50 percent of their benefit charges.*
- Workers at these organizations are eligible for the Federal Pandemic Unemployment Compensation supplement of \$600 a week. However, School Districts will not be required to reimburse the \$600 a week supplement.

As of April 2, 2020, the Washington Employment Security Department is still working on the process of how the request for relief of benefit charges will be processed.

FAQ: Financial Impact

How can I keep track of my account balance in the PSESD Unemployment Pool (UP)?

The UP manages for each Member District the cost reimbursement of unemployment claims filed with and paid by Employment Security Department. Each quarter the UP distributes the Combining Statement which outlines the premiums received and claims paid on behalf of each district, as well as other expenses and interest income that are allocated to each District.

How does the UP coordinate with ESD?

The UP reimburses ESD for claims that have been paid on behalf of our Members. These payments will stretch out over the eligibility period for each claim made.

Are school districts' unemployment claims related to COVID-19 eligible for State or Federal Relief?

At this time, it is unknown how long the school district closure will last or when furloughed employees will be able to return to work. We are tracking unemployment claims that result from the COVID-19 outbreak and will be seeking State/Federal relief to offset the cost of these claims as soon as funding is available, and eligibility determined. As of April 2, 2020, it appears the federal relief bill will allow 50% of claims costs associated with COVID-19 claims may be reimbursed. This is still developing, and we will provide updates as they become available.

What can I do to plan for the unemployment claims cost associated with the COVID-19 outbreak?

Through January 31, 2020, fifteen (15) of our twenty-one (21) Members have an "Excess Fund Balance", which means they have accumulated a Fund Balance that exceeds 3 times the required Minimum Pool Requirement, (MPR) of .20% of the Prior Years Reported Unemployment Wages. All Members must maintain the MPR. Based on anticipated new claims activity resulting from school closures, reimbursements made to ES will put some Members below this MPR. When this occurs, an invoice will be sent to any District that hasn't maintained the MPR balances.

Should I increase my monthly premiums because of the projected increase in claims?

Our Members are in the best position to inform the estimated impact COVID-19 will have on their unemployment claims costs based on the extent of success in finding continued or alternative work for affected staff. We encourage you to increase your monthly premium rate to begin funding the anticipated increase in claims volumes. This step will help you budget your cash flow needs by avoiding larger quarterly invoices that would be otherwise needed to restore shortfalls that may arise in your MPR balance.