Unemployment benefit charges to your employer account

As a reimbursing employer, unemployment benefits paid to your employees are immediately “charged” to your UI account. You are normally required to repay those charges in full each quarter.

Billing is currently suspended due to the COVID-19 pandemic, but we know that many reimbursing employers are concerned about large potential unemployment bills. Fortunately, there are several forms of financial relief available under state and federal law.

We sent you a letter in October outlining our initial plan to apply financial relief to your account. This letter is an update on our progress so far.

Preliminary review of Q1-2020 – Q3-2020

Congress has authorized federal funding to reimburse states for certain unemployment costs during the pandemic. You will not be required to repay any unemployment benefit charges if the federal government is reimbursing the Unemployment Insurance Program for the cost.

There are three provisions of the CARES Act that may reduce charges to your employer account:

- **Reimbursement for the first week of regular UI benefits**: The federal government will reimburse us for the first week of unemployment benefits paid to each applicant, if that week fell between 3/29/2020 and 12/20/2020.
- **Reimbursement for Shared Work benefits**: The federal government will reimburse us for any Shared Work benefits paid for weeks between 3/29/2020 and 12/20/2020. If you were enrolled in the Shared Work Program, you may qualify for this relief.
- **Reimbursement of 50% of benefits paid**: The federal government will reimburse us for 50% of the remaining balance of benefits charged to your account between 3/29/2020 and 12/20/2020.

We will update your account balance once we have processed the federal reimbursement.

After a closer review of federal law, we have determined we cannot make final adjustments to your account until January (after the 4th quarter of 2020 is complete).

To help you make financial decisions in the meantime, we have conducted a preliminary review of your account to give you a sense of the federal financial relief you can expect.

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Please note: this preliminary review only covers completed calendar quarters (i.e., quarters 1-3 of 2020). It is very likely you will qualify for additional federal financial relief for the 4th quarter of 2020.
You may also qualify for additional relief available under state law.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Benefits charged to your account</th>
<th>CARES Act – federally reimbursed first week</th>
<th>CARES Act – federally reimbursed Shared Work</th>
<th>CARES Act - federally reimbursed 50% relief</th>
<th>Total benefit charges reimbursed by the federal government</th>
<th>State relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-1</td>
<td>[2020-1 Benefit Charge Amt for Quarter]</td>
<td>[2020-1 CARES Act WW Relief for Qtr]</td>
<td>[2020-1 CARES Act Shared Work Relief for Qtr]</td>
<td>[2020-1 CARES Act 50 Pct Relief for Qtr]</td>
<td>[2020-1 CARES Act Relief]</td>
<td>Not yet calculated</td>
</tr>
<tr>
<td>2020-2</td>
<td>[2020-2 Benefit Charge Amt for Quarter]</td>
<td>[2020-2 CARES Act WW Relief for Qtr]</td>
<td>[2020-2 CARES Act Shared Work Relief for Qtr]</td>
<td>[2020-2 CARES Act 50 Pct Relief for Qtr]</td>
<td>[2020-2 CARES Act Relief]</td>
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</tr>
<tr>
<td>2020-3</td>
<td>[2020-3 Benefit Charge Amt for Quarter]</td>
<td>[2020-3 CARES Act WW Relief for Qtr]</td>
<td>[2020-3 CARES Act Shared Work Relief for Qtr]</td>
<td>[2020-3 CARES Act 50 Pct Relief for Qtr]</td>
<td>[2020-3 CARES Act Relief]</td>
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<tr>
<td>2020-4</td>
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Next steps
In January, once the 4th quarter of 2020 is complete, we will recalculate the total amount of federal financial relief available to you. We will then adjust your account to apply that financial relief. We will send you a letter to inform you of the total amount relieved.

Once we have applied all available federal financial relief, we will determine if you qualify for any additional state-level financial relief. We will send you a letter after we complete this process as well.

We will not be sending you any quarterly bills until our review is finalized. We will likely turn billing back on in early 2021, but we will let you know before we do.

We anticipate that many reimbursing employers will see a large reduction in benefit charges as a result of these processes, but some charges unrelated to the pandemic may remain. Please wait until we have applied all available financial relief for the entire calendar year before contacting us about the status of particular benefit charges.

Latest information
We know this is a challenging time for your organization. We appreciate your patience as we work to provide all possible financial relief available under state and federal law.

For the latest information, please visit www.uimn.org.
- Select “Employers & Agents”.
- Under News and Updates, select “Information for employers affected by COVID-19”.

We know this is a challenging time for your organization.
We will also send you information by mail in the event of federal law changes or other important updates.