Checklist For Limiting State Unemployment Insurance Liability



1. Be aware of your state’s experience-rating system.
2. Understand how your account may be charged. Guard against improper charges to the experience-rating record.
3. Become familiar with the non-charging provisions of UI state law. Contest improper claims lodged against your account quickly and effectively.
4. Carefully check over the statement of accounts furnished by the state agency that shows the charges on account of benefits paid to employees. Errors can be made.
5. If the rate has been incorrectly determined, notify the state agency immediately.
6. Do not allow unsatisfactory employees to build up base-period wage credits. This can increase the potential charges to an employer’s account in certain states.
7. After hiring new employees, carefully follow their progress and dismiss them promptly if they prove unsatisfactory so long as such action is consistent with the employer’s policy and practice so as to avoid potential discrimination concerns. The longer an inefficient employee remains employed the greater the potential charges against the company’s experience-rating record will be.
8. Give a separation interview to every employee who leaves. Inquire carefully into the reasons for leaving the company or the circumstances surrounding the dismissal. Remember, in most states every employee who leaves for whatever reason may represent a future benefit charge.
9. Keep accurate records concerning the circumstances surrounding an employee’s dismissal or reason for leaving. If possible, secure a signed statement from the employee as to the reasons for leaving.
10. Notify the separating employee at the time of separation of his or her rights to unemployment insurance.
11. Carefully check and reply where necessary to all notices concerning benefit claims, benefit charges, rate determinations, or requests for separation information.
12. In supplying separation information, you should use the form supplied by the state agency rather than writing a letter. Include the exact reasons for the separation, giving the facts accurately and completely.
13. File reports and pay contributions on time. Many states deny experience rates to employers that are delinquent in filing reports and/or paying

contributions.

14. Estimate the effect of future charges to your account. Very often, one benefit charge may be sufficient to place the employer into a different, higher rate classification.