Simplifying the Unemployment Insurance Law

A Guide for Employers

DUA and the Unemployment Insurance Program

An Overview of Coverage, Liability, and Your Responsibilities

How Unemployment Insurance Works

You Have a Voice in Unemployment Insurance Decisions

The DUA Hearings and Appeals Process

How Contributions are Calculated

An Option for Non-Profit Employers

DUA Employer Programs and Services

UI Walk-in Centers/ DUA Directory

Table of Contribution Rates and Schedules

Massachusetts Department of
Workforce Development
Division of Unemployment Assistance

Commonwealth of Massachusetts
www.mass.gov/dua
Form P-3534 Rev. 06-06

A Message to Massachusetts Employers:

As the Massachusetts agency responsible for administering the unemployment insurance program, the Division of Unemployment Assistance (DUA) is committed to helping you understand your rights and responsibilities under the Massachusetts Unemployment Insurance Law.

As with all types of insurance, the unemployment insurance program is governed by regulations – and statute – covering financing, benefits and eligibility determinations. These subjects are covered and, we hope, simplified for you in this guide.

Unemployment insurance is one of the programs that DUA operates. Its purpose is to assist the state's workers who need help meeting expenses while they are between jobs.

We are dedicated to providing you with the highest level of customer service. Our staff is available to provide you with answers to your questions and solutions to your problems. Our virtual agency – www. Mass.gov/dua – is also your resource for easily-accessible online services, information, and assistance.

We welcome – we encourage – your comments and suggestions.

Edward T. Malmborg, Director
Massachusetts Division of Unemployment Assistance

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1. Supporting Your Business and Your Workers

DUA and the Unemployment Insurance Program

Overview of Unemployment Insurance

If you are a private, for-profit employer, the Massachusetts Unemployment Insurance Law requires you to pay
contributions into the Commonwealth's unemployment compensation fund, which in turn funds temporary unemployment insurance benefits to eligible workers. (If you are a governmental or non-profit employer, see Section 7 for your financing options.)

Unemployment benefits paid come solely from employer contributions. DUA's administrative costs are funded through Federal Unemployment Tax Act (FUTA) taxes, which employers pay directly to the federal government.

The Range of Services Available

DUA provides unemployment insurance benefits by telephone through our UI TeleClaim Center and at Walk-in Centers located in cities and towns throughout Massachusetts.

DUA also administers other programs designed to help Massachusetts remain competitive in today's world wide economy:

- The WorkSharing Program ensures that Massachusetts employers who need to reduce their payroll costs can also maintain their workforce;
- The Medical Security Plan provides temporary health insurance benefits to eligible unemployment insurance claimants to help reduce the disruption of unemployment for themselves and their families.
- DUA economic data programs – along with MassStats, an interactive Web service – allow educators, economists, community officials and others to have immediate access to information about labor market trends and employment statistics.

This guide is published by the Massachusetts Division of Unemployment Assistance to help the Commonwealth's employers understand their rights and responsibilities under the state's Unemployment Insurance Law (Chapter 151A of the Massachusetts General Laws).

The information in this guide is general in nature and does not have the effect of law or regulation. Copies of Chapter 151A are available from DUA by contacting Customer Services at 617-626-5400 or by e-mail to problemresolution@detma.org

2. Getting Started and Keeping on Track: An Overview of Coverage, Liability and Your Responsibilities

Getting Started in Massachusetts

If you are a new employer, or if you have not done business in Massachusetts before, you must notify DUA immediately by filing an "Employer Status Report" (Form 1110). Simply call 617- 626-5050 or you can download the DUA Employer Status Report online at www.Mass.gov/dua or register online without completing a form at https://web2.detma.org/revenue/ereg/employer/ereg_e01_welcome.aspx?bhcp=1. This enables DUA to establish your employer account and assign you a DUA identification number. As a new employer, you are responsible for paying quarterly contributions for the first subject quarter even if your DUA number has not yet been assigned.

UI Coverage and Liability

In general, if you have people working one or more days in each of 13 weeks during a calendar year, or if you pay wages of $1,500 or more in any calendar quarter, you are liable for contributions under the law. The weeks of employment need not be consecutive, nor must the employees remain the same.

In deciding whether an employer is liable for contributions, DUA considers such factors as:

- ➜ The entity (company) for which services are performed.
- ➜ The degree of direction and control you have over the way an employee's services are performed.
- ➜ Where the work is carried out, whether entirely or only partially in Massachusetts.
- ➜ The exempt nature of certain classes of employment. (See information on worker eligibility, in Section 3.)

As an agricultural employer, you are subject to the law if you paid total cash wages of $20,000 or more in any calendar quarter, or you employed 10 or more individuals on any day in each of 20 weeks in a calendar year.

If you employ domestic workers including nurses and personal care attendants and paid $1,000 or more in cash wages in any calendar quarter, you are liable. This category includes private homeowners, clubs, college fraternities and sororities.

If you have acquired the entire trade, organization, business or assets of another employer, you must also notify the DUA Employer Liability Division – at 617-626-5050 – within 120 days of the transaction. This is important because the former owner may have a "positive account balance." Failure to provide the required notification to DUA within 120 days will prevent the transfer of that former owner's positive balance to your account. Once notified, DUA will determine your status and assign a contribution rate.

Your Responsibilities

The Massachusetts Unemployment Insurance Law, Chapter 151A of the General Laws of the Commonwealth, places certain obligations on all employers.

Your responsibilities fall into two general areas:

- ➜ Financing the unemployment insurance (UI) program, and
- ➜ Participating in the determination of eligibility, when claims are filed.

Section 6 of this guide explains the financing of the program in detail, and Section 3 provides a detailed explanation of claimant eligibility and benefits.

Financing responsibilities

State UI payments are due quarterly, within one calendar month from the end of each calendar quarter. For government or non-profit employers using the reimbursable method, benefit charges are billed monthly and payable within 30 days.

Payments are determined in two ways:

- ➜ By an individual employer experience-based contribution rate applied to certain wages, and
- ➜ By an annual statewide schedule based on a comparison of the balance in the trust fund to the state's total payroll. Under special circumstances, the schedule may be set by law, overriding this calculation. The table in Section 7 lists all schedules and rates.

Section 6, How Contributions are Calculated has complete details on:

- ➜ payments,
- ➜ calculations,
- ➜ schedule and rate setting, and
- ➜ enforcement

Participating in Benefit Determinations

Section 4 has a more extensive review of your responsibilities. However, here are some highlights.

When an unemployed worker files for benefits, the employer's participation is required in order for DUA to make accurate and timely UI benefit determinations.

One indicator of eligibility is earnings, which must meet a minimum amount. Wage information reported quarterly by employers to the Massachusetts Department of Revenue is the primary source for determining eligibility. Individual requests for wage data are required if a claimant is determined ineligible using quarterly wage information or that information is incomplete.

In addition, employers must furnish DUA with the cause for the employee's separation.

Record Maintenance

Be sure to keep payroll and time records in a format that enables you to provide them to DUA to determine:

- ➜ The wages paid to each employee on a calendar-week basis (Sunday through Saturday).
- ➜ Whether any week's earnings were for less than full-time employment.
- ➜ Whether lost time was due to an employee's lack of availability for work or inability to work.

You must make and keep copies of all reports filed with DUA, as well as all work sheets and other back-up data used in preparing the reports, for a period of four years from the filing date. During this period, an authorized representative of DUA should be able to inspect these records at any reasonable time. The information you supply is confidential and for the exclusive use of DUA in the administration of the Unemployment Insurance Law. Upon request, a worker or representative may obtain information concerning only his or her claim records.

Promptness and Timeliness

Because the timely determination of valid claims is an important priority for employers and claimants, deadlines have been established for a variety of actions, responses, requests and protests within the unemployment insurance program and are noted throughout this guide. Although exceptions are sometimes allowed for good cause, failing to meet these deadlines may cause you to forfeit important rights. This includes the right to protest eligibility and the payment of benefits.

Notification Responsibilities

You must notify DUA when:

- ➜ A worker is recalled to work after a layoff but fails to report. You should notify the DUA TeleClaim Center. Call 1-877-626-6800 from area codes 351, 413, 508, 774, and 978. Call 617-626-6800 from any other area code.
- ➜ A work stoppage due to a labor dispute has occurred. This notice, given within 48 hours after the beginning of the stoppage, should supply the details and the number of employees involved.
- ➜ Your mailing address changes. (See page 6.)

Notification to Workers

Informing workers of the availability of unemployment insurance is the responsibility of all employers.

You must clearly post a copy of the DUA poster "Information on Employees' Unemployment Insurance Coverage"
(Form 2553-A), which informs employees of their coverage under the Unemployment Insurance Law and their right to apply for benefits.

➜

You are also required to give all separated employees, regardless of the reason or expected duration of the layoff, a copy of the DUA pamphlet "How to File for Unemployment Insurance Benefits" (Form 590-A). This form provides DUA with accurate information on your organization – its legal name, address (where payroll records are kept) and DUA employer account number. This information helps to expedite the filing of claims.

Both the poster and the pamphlet are available in English, Spanish, Portuguese, Chinese, Vietnamese and Haitian-Creole.

These materials can be obtained from the TeleClaim Center, the DUA Customer Services Unit at 617-626-5400, or on the Web at www.Mass.gov/det/forms. The Web versions are PDFs with text boxes that you can customize with your business information before printing and duplicating.

Changing Your Address

Maintaining an accurate mailing list helps DUA serve you more efficiently. Generally, DUA mails all forms to the legal address you supplied when you originally requested a DUA identification number.

These forms include:

- ➜ Employer's Quarterly Contribution Report
- ➜ Request for Separation and/or Wage Information
- ➜ Notice of Approved Claim
- ➜ Notice of Reopened Claim
- ➜ Statement of Benefit Charges or Statement of Reimbursable Benefits

Addresses can be changed online at www.Mass.gov/dua after you have signed up to use online services. For more information on DUA's Online Services for Business, see Section 08.

Or send your change of address requests to:

Division of Unemployment Assistance
Employer Liability Division – 5th floor
19 Staniford Street
Boston, MA 02114

If you prefer, DUA can mail various notices to different corporate or agent addresses. Please be specific about which forms you want sent to a particular address, and include your DUA employer number on all correspondence.

Verifying Your Account Number

To verify your employer number, which is required on most DUA forms, please call 617-626-5050.

Using an Agent to Process Claims

DUA will work with an employer's agent to process UI claims if the agent represents the employer in both wage and separation matters.

To establish your agent with DUA and change a power of attorney designation, written notice must be sent to:

Division of Unemployment Assistance
Status Department,
19 Staniford Street
Boston, MA 02114.

For further information, call 617-626-5075.

Some Facts about Employee Leasing

If you are currently a client of an employee leasing company, or are considering contracting for employee leasing services, you should know that:

- ➜ DUA recognizes employee leasing companies as authorized representatives of their clients in all unemployment insurance matters once a contract for these services is signed.
- ➜ However, DUA considers the employer to be the employer of record and ultimately liable for all payments.
- ➜ Therefore, all quarterly Contribution Reports (Form 1) must be filed under your own DUA and federal employer identification numbers, and at the contribution rate assigned to your business
- ➜ Regulations on employee leasing are available. For copies and additional information, please call 617-626-5050.

Resolving Problems

All DUA departments are committed to provide you with prompt and courteous service. However, if there is a problem that you cannot resolve within a DUA department, please contact the Problem Resolution Unit at 617-626-6535. Hours are Monday-Friday, from 8:45 a.m. to 5:00 p.m.

If you prefer, you may e-mail the DUA Problem Resolution Unit at problemresolutionunit@detma.org

3. Understanding Eligibility and Benefits

How Unemployment Insurance Works

Workers covered by the Law

With only a few exceptions, most workers in public, private, and non- profit employment are covered by the Unemployment Insurance Law. Several types of work, however, are not.

Exempt classes of employment include the following:

- ➜ Services performed for churches and certain religious organizations.
- ➜ Work by a child under 18 for the child's mother or father; or by an individual for his or her daughter, son or spouse.
- ➜ Student work-training experience administered by a non-profit or public educational institution.
- ➜ Student financial-assistance employment by a school, college or university where he or she attends classes, or similar employment for the student's spouse - as long as he or she is notified at the time of hire that unemployment insurance is not provided.
- ➜ Real estate brokers or salespeople licensed by the state and paid solely by commission.
- ➜ Insurance agents or solicitors paid solely by commission (except industrial life insurance agents).
- ➜ Sole proprietors and members of partnerships.
- ➜ Services performed by an independent contractor – an individual who is free from direction and control; who is working in an independently established business or trade; who is not working in your usual course of business or your usual place of business.
- ➜ Certain employees of state and local governments, such as elected officials; those in certain policy making and advisory positions; members of a legislative body or of the judiciary; emergency employees hired during a disaster; inmates in custodial or penal institutions; and members of the Massachusetts National Guard or Air National Guard.

DUA staff is available to review your liability for contributions for specific employees or classes of employees in order to avoid audit-related penalties and interest. For more information, contact the Status Department at 617-626-5050.

Eligibility Criteria

For those covered by the law, eligibility is based upon two general criteria: earnings and the reason for the separation.

- ➜ **Earnings eligibility** is based on wages paid to a claimant during the last four completed calendar quarters preceding the effective date of a claim. This is what is known as the primary base period.

  An employee must have earned at least 30 times his or her weekly benefit rate and no less than $3,000 during the primary base period.

  Individuals with insufficient wages to qualify using the primary base period will have their claims recalculated using wages paid during the last three complete calendar quarters and in any weeks of the calendar quarter in which the individual files a claim. This is called the alternate base period.
- ➜ For **separation eligibility**, the law requires that a worker be totally or partially unemployed through no fault of their own. This means that workers who are found to have been discharged for deliberate misconduct or who leave a job voluntarily without good cause attributable to the employer are not eligible for UI benefits.
- ➜ **Ongoing eligibility** requirements include being able to work, available for work, and actively seeking reemployment.

Partial Unemployment

An employee whose work schedule has been reduced by you or who has obtained part-time work while collecting unemployment benefits may claim partial UI benefits. While collecting UI benefits, the claimant must report to DUA any earnings from part time work. These earnings are subject to verification through the matching of UI benefit records with wage records provided by employers to the state Department of Revenue.

A claimant is entitled to earn up to one-third of his or her weekly benefit amount and still receive the full benefit. Any earnings in excess of the one-third limit result in a dollar-for-dollar reduction in the weekly benefit payment.

➜

!!!! See information on WorkSharing in Section 8. Participating in WorkSharing allows you to reduce your payroll costs, if necessary, while maintaining your workforce. Your workers receive reduced wages from you and collect partial unemployment insurance benefits for the days they do not work.

When Workers are Determined Ineligible

Initial Disqualification

In general, workers may be determined ineligible and have their claims indefinitely disqualified if they become unemployed for the following reasons:

- ➜ Voluntarily quitting a job without "good cause" attributable to the employer. Individuals who involuntarily leave a job for urgent and compelling reasons are eligible. In such cases, contributing employers will be relieved of resulting benefit charges. However, non-profit and governmental employers who do not contribute to the UI Trust Fund and have chosen to reimburse DUA for all benefits paid, will be required to cover the costs of such benefits.
- ➜ Quitting a job to join one's spouse or any other person at a new location.
- ➜ Being discharged by the employer for deliberate misconduct on the job, in "willful disregard" of the employing unit's interests, or a knowing violation of a reasonable and uniformly enforced rule.
- ➜ Job loss due to conviction of a felony or misdemeanor.

Requalification for Benefits

To qualify for benefits after being disqualified for one of the reasons listed above, the claimant must return to work for at least eight weeks, earn an amount equal to or greater than the weekly benefit amount for each of those weeks and be separated from the new job under qualifying circumstances.

Other Disqualifications

Workers may also have their claims disqualified for any of the following specific reasons:

- ➜ School employees and professional athletes who have a reasonable assurance of work in the next academic year, term or season cannot receive benefits between these periods.
- ➜ Seasonal workers employed by employers who have received seasonal employer certification status by DUA may be disqualified from receiving benefits unless they become unemployed during the season for which they are hired. Seasonal employees must work fewer than 16 weeks in a calendar year. (To receive seasonal employer certification call 617-626-5537.)
- ➜ Receipt of vacation pay, wages in lieu of dismissal notice, continuation pay, severance pay, termination pay, dismissal pay, or total disability payments under worker's compensation. This disqualification is for the weeks to which the payments apply. Severance pay contingent on signing a "release of claims" or following a designated "plant closing" is not disqualifying.
- ➜ Lack of availability for work; inability to work full-time; limitation, without good cause, as to work hours or shift; failure to make an active search for work. Individuals may receive benefits for up to three weeks per year even though not available for work due to illness.
- ➜ Withdrawal from the labor market, such as vacationing.
- ➜ Failure, without good cause, to accept an offer of suitable employment or failure to respond to an employer callback.
- ➜ Unemployment due to participation in a labor dispute that results in a work stoppage.
- ➜ Full-time self-employment .

How the Benefit Amount is Calculated

DUA determines a worker's weekly benefit rate based on earnings in each quarter of the worker's base period (even if you were not the most recent employer), you will receive a notice when this individual files a claim.

A worker's benefit rate is calculated as outlined below:

- ➜ Earnings from all employers for the two highest income quarters in the base period are totaled.
- ➜ That sum is divided by 26 (the number of weeks in two quarters), to arrive at an average weekly wage. For a worker with two or fewer quarters of wages, the amount earned in the highest single quarter is divided by 13 to establish the average weekly wage.
- ➜ The worker's weekly benefit rate is half the average weekly wage, up to the current maximum. The maximum benefit rate is re-calculated annually at 57.5 percent of the statewide average weekly wage of all covered workers.

In the most cases, there are enough wages paid in the primary base period to determine a claimant's eligibility for benefits. However, when an individual is ineligible based on primary base period wages, an alternate base period to determine eligibility will be used. The calculation method is the same regardless of the base period used.

In all cases the claimant must have total earnings of at least 30 times his or her potential weekly benefit rate to qualify. The total amount of benefits available to the claimant is the lesser of:

- ➜ 30 times the weekly benefit rate, or
- ➜ 36 percent of total base period earnings.

Once filed, a claim is good for up to one year. This is called the benefit year. A worker who becomes unemployed more than once during the benefit year may reactivate an existing claim and resume collecting benefits, assuming they become unemployed under non-disqaulifying circumstances. Once benefits on a claim are exhausted, a new claim may not be filed until the benefit year has ended, even if the worker has additional earnings.

Dependency Allowance

A dependency allowance of $25 per week is added to the basic benefit amount for each dependent child:

- ➜ up to 18 years of age; or
- ➜ 18 or older if that child is incapable of earning wages because of physical or mental disability; or
- ➜ up to 24 years of age if the dependent is a full-time student at an authorized school.

There are additional eligibility criteria and verification standards for dependency allowances in order to ensure that they are properly paid. Dependency allowance cannot exceed 50 percent of an individual's weekly benefit amount.

Pensions and Social Security

Some pensions are deductible from weekly benefits. Pension-related deductions from the UI benefit amount range from none to 100 percent:

- ➜ No deduction is made for IRA/Keogh, Railroad Retirement Annuities, lump sum pension payments made prior to the base period, or lump sum distributions that are rolled over into a retirement account within 60 days of receipt.
- ➜ 50 percent deduction of the amount of some pensions jointly financed by the worker and by a base period employer.
- ➜ 100 percent deduction of the amount of any pensions financed 100 percent by a base period employer.

Understanding the Effect of Separation Pay

During a period of layoffs, some employers provide separation pay to their workers. There are various categories of separation pay and most of them affect a workers' eligibility for unemployment insurance.

Workers receiving these payments are usually ineligible for unemployment benefits for the period of time covered by the separation pay.

Whenever a worker's eligibility is delayed because of the receipt of separation pay, the benefit year is extended by the same number of weeks so that the worker has a full benefit year to collect any available benefits.

Two types of separation pay do not result in a denial of benefits:

Release of Claims

A payment for a release of claims is a payment made by an employer in exchange for an employee's release of any legal claims that the claimant might have against the employer, its successors, or "assigns." These payments differ from separation payments because even if the amount happens to be based on the length of the employee's service, their primary purpose is to secure a release of claims rather than compensate the employee for services previously rendered to the employer.

The release may be limited to one or more specific claims. For example, an age discrimination or sexual harassment claim, or may be broadly written to cover any or all claims. In these cases a separation payment is non-disqualifying if the claimant's receipt of the payment was contingent on signing a release of claims or relinquishing some other valuable right.

Plant Closing

Separation pay may not be disqualifying if it is issued in a lump sum payment in connection with a plant closing. For unemployment benefit purposes the standards for determining a plant closing are:

- ➜ The plant, business, company or facility must have employed at least 50 employees within the 6 months prior to the separation(s).
- ➜ The layoff or closing must result in the permanent separation of at least 50 percent of the employees at the facility.

The Determinations Department at the Division of Unemployment Assistance (DUA) is responsible for certifying plant closings for the purpose of determining unemployment benefit eligibility. If you believe your business will experience a downsizing of 50 percent or more of your workforce, you may contact the Determinations Department at 617 626-6330 for assistance or answers to your questions.

Vacation Pay
If you issue a vacation payment to an employee at the time of a permanent or indefinite separation, then the accrued vacation payment will not affect the individual's eligibility for unemployment benefits. However, if the individual is separated with a definite or approximate date of recall, then the individual would be disqualified for the period of time to which the vacation and /or holiday pay can reasonably be applied.

Accrued Sick Leave
Any accrued sick leave paid to a separated employee is not disqualifying and will not impact the receipt of unemployment benefits.

Stay Bonus
DUA considers a Stay Bonus or Incentive Bonus as a payment made by employers to employees to continue employment until a lay-off or separation date and such payments are generally non-disqualifying.

The Duration and Amount of Benefits

Regular benefits last a maximum of 30 weeks under state law. If partial weekly benefits are paid, the period may continue until the total benefit amount to which the claimant is entitled is exhausted, but not past the expiration date of the claimant's benefit year.

When unemployment is high, special state and federal programs may go into effect providing additional weeks of benefits. These extended benefit programs are either partially or fully funded by the federal government, depending on the program.

In addition, workers participating in DUA-approved training programs may have their claims extended for up to 18 weeks if additional time is needed to complete the training program.

This extension is available provided that the worker applied for the program by the fifteenth payable week of the claim. This extension is funded through the solvency account. However, reimbursable employers are liable for the full amount of retraining benefits paid, or a portion of the benefits if there are contributory employers in the base period as well.

How a Worker Files a Claim

Workers should be advised to file a claim for benefits immediately upon separation from the job. Generally, the first week claimed for unemployment benefits is a waiting period for which a claimant will not receive a benefit check, but must meet all other eligibility requirements.

There are two ways to file an UI claim – by telephone and in person.

- ➜ Claimants who file by phone can use the following telephone numbers to contact the DUA TeleClaim Center:

  1-877-626-6800 from area codes 351, 413, 508, 774 and 978.

  1-617-626-6800 from any other area code

- ➜ Individuals who choose to do so may file their claims at a DUA Walk-in Center. There are locations across the state. These are listed in the back of this guide.

Former employers – those within the base period – are notified when a claim is filed. These employers are sent a DUA Request for Information.

Those employers for whom the claimant worked in the eight weeks prior to filing the claim are considered interested party employers and they have the right to protest the claimant's eligibility.

If a claimant is approved, interested party employers receive notification and have the right to file an appeal and request a hearing if the Request for Separation Information was returned to DUA within the 10 days allowed by law.

Any disqualified claimant can also appeal and request a hearing.

For more information on hearings and appeals, see Section 5.

A Word About DUA's Fraud Prevention Activities

Protecting the integrity of the unemployment insurance program is a responsibility that DUA takes seriously. Through our Internal Control and Investigations Department and our Benefit Integrity Department, the Massachusetts Division of Unemployment Assistance focuses on the prevention, detection, investigation and prosecution of those who defraud or attempt to defraud the unemployment insurance program.

Numerous actions are taken to prevent and detect the fraudulent collecting of benefits. For instance, our Benefit Integrity Department regularly compares wage records filed with the Massachusetts Department of Revenue with payment records of current UI claims to ensure that claimants who are working are not receiving UI benefits, and that claimants who work part-time while collecting UI benefits report those earnings to DUA.

The Department of Revenue also provides our Benefit Integrity Department with a weekly report of workers added to employers' payrolls. This "new hire" report is also matched against UI records to check that claimants who return to work do not continue to collect benefits. It is important for both workers and employers to be aware that eligibility for UI benefits ends on the day an individual starts full-time work.

To prevent fraud, our Internal Control and Investigations Department matches records with those of other state and federal agencies including the Social Security Administration, the state Department of Corrections, and others.

Once DUA establishes that a claimant has collected unemployment insurance benefits to which he or she was not entitled, the Benefit Integrity Department's Recovery Unit aggressively works to recover the overpaid benefits. A variety of collection tools are utilized including criminal and civil prosecutions, the interception of Massachusetts state income tax refunds, mail and telephone dunning, and the offset of any future unemployment benefits. Additionally, DUA levies a 12 percent annual interest charge against any outstanding overpayment balance if the claimant was determined to be "at fault" for the overpayment.

You Can Help

DUA welcomes information from concerned citizens who know of workers who continue to collect UI benefits while they are employed.

You can report individuals who are collecting benefits while working full-time and employers who are paying workers and not reporting wages to DUA or to the Massachusetts Department of Revenue.

➜ Contact the DUA Internal Control and Investigations Department

By E-mail: icid@detma.org

By phone: DUA Fraud Hotline – 1-800-354-9927

By fax: 617-727-8798

By writing to:

DUA Internal Control and Investigations Department
19 Staniford Street – 4th floor
Boston, MA 02114

4. Determining Your Workers' Eligibility

You Have a Voice in UI Decisions

Massachusetts employers play a vital role in the unemployment insurance program. That role extends far beyond financing the program through employer contributions.

DUA's ability to pay claims properly – only to claimants who meet the requirements of the law – depends in some measure on the receipt of timely and accurate information from the Commonwealth's employers.

Be Consistent and Be Prepared

The Massachusetts Unemployment Insurance Law (Chapter 151A of the General Laws of the Commonwealth) governs the unemployment insurance program.

Understanding the law and its application can help you control your unemployment insurance costs. In many cases what the law requires from employers are simply good business and consistent personnel practices. This protects your company's interests and the wellbeing of your workers.

The law requires that an employer's expectations of his/her workers be reasonable and uniformly enforced.

All expectations regarding standards of behavior and performance, as well as consequences for the violation of these standards, should be clearly formulated by your business and articulated to all of your employees. Written communications – through memos or an employee handbook – are best.

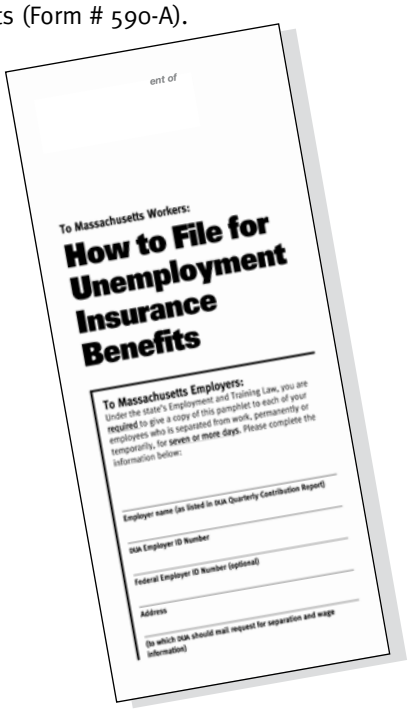
Documentation of any measures you have taken – and the consistency of those measures with all members of your workforce – is paramount. Be sure to record any actions taken prior to a discharge – events, witnesses to events, dates and details of oral warnings, written warnings, and formal disciplinary action. These documented details will be crucial in the process of determining a claimant's eligibility for unemployment insurance, particularly if that worker was discharged for deliberate misconduct.

You should be aware, however, that discharge for failure to meet performance standards – with no misconduct or violation of company rules – may not necessarily result in the claimant's disqualification from collecting UI benefits.

This section provides an overview of the complete unemployment insurance claims process starting with the employee's separation. The next section continues with the hearings and appeals process.

Make Sure You Provide a Separation Notice

When an employee is separated from your employment, be sure to provide a "separation notice." This is a DUA pamphlet – How to File for Unemployment Insurance Benefits (Form # 590-A).



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To Massachusetts Workers:

How to File for Unemployment Insurance Benefits

To Massachusetts Employers:
Under the state's Employment and Training Law, you are **required** to give a copy of this pamphlet to each of your employees who is separated from work, permanently or temporarily, for **seven or more days**. Please complete the information below:

Employer name (as listed in DUA Quarterly Contribution Report)

DUA Employer ID Number

Federal Employer ID Number (optional)

Address

(to which DUA should mail request for separation and wage information)

Under the law, employers are required to give a copy of this form to each employee who is separated from work. The separation can include firings for cause or voluntary quits in addition to layoffs for lack of work. You should also include your Massachusetts DUA

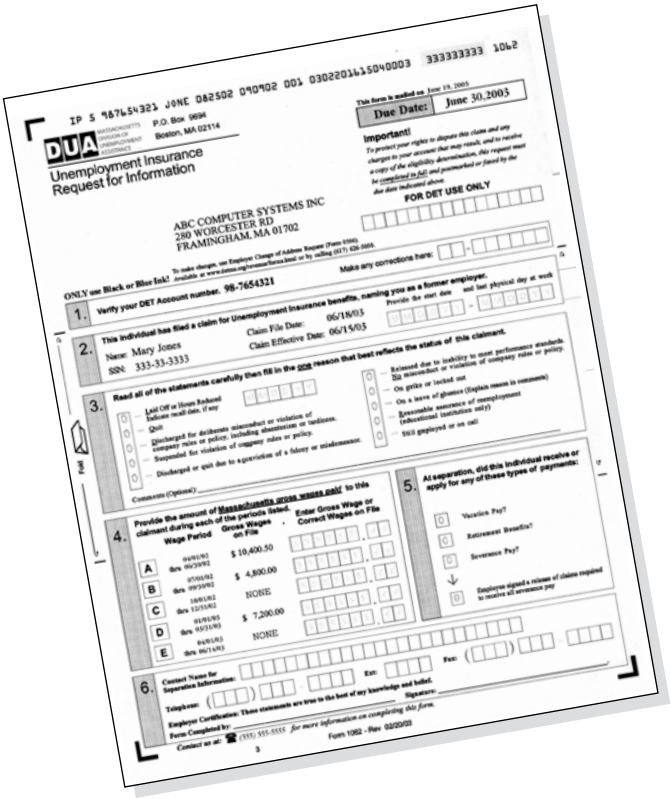
employer identification number on the pamphlet, along with the address to which the DUA Request for Separation Information should be mailed. The address for separation information should be where the employee's payroll and personnel records are kept, not necessarily the location where he or she worked.

Providing Separation Information to DUA

When an individual files an unemployment insurance claim, DUA must quickly obtain certain information from former employers in order to make a timely determination of eligibility.

To accomplish this, DUA mails an Unemployment Insurance Request for Separation Information (Form 1062) to all employers named by the claimant. This information helps DUA to determine the separation eligibility of the employee and the potential establishment of the account(s) that will be charged for the claim.

DUA checks Massachusetts Department of Revenue (DOR) wage records for a claimant's earnings. In many cases, wages will not be requested on this form unless a claimant was not eligible using the primary base period wages, or the wages were not available on the DOR database.


IP S 987654321 JONE 082502 090902 001 030220161504000 3 333333333 1042

DUA Massachusetts Division of Unemployment Assistance P.O. Box 9694 Boston, MA 02114

Unemployment Insurance Request for Information

This form is mailed on June 19, 2005

Due Date: June 30, 2005

Important! To protect your rights to dispute this claim and any charges to your account that may result, and to receive a copy of the eligibility determination, this request must be completed in full and postmarked or faxed by the due date indicated above

FOR DET USE ONLY

ABC COMPUTER SYSTEMS INC
280 WORCESTER RD
FRAMINGHAM, MA 01702

ONLY use Black or Blue Ink! To make changes, use Employer Change of Address Request (Form 1066). Available at www.mass.gov/lwd/unemployment/uiforms.html or by calling (617) 626-5600.

Make any corrections here:

1. Verify your DET Account number. 98-7654321

2. This individual has filed a claim for Unemployment Insurance benefits, naming you as a former employer.
Name: Mary Jones
SSN: 333-33-3333
Claim File Date: 06/18/03
Claim Effective Date: 06/15/03
Provide the start date and last physical day at work

3. Read all of the statements carefully then fill in the one reason that best reflects the status of this claimant.
Laid Off or Hours Reduced (Indicate recall date, if any)
Quit
Discharged for deliberate misconduct or violation of company rules or policy, including absenteeism or tardiness.
Suspended for violation of company rules or policy.
Discharged or quit due to a conviction of a felony or misdemeanor.
Retained due to inability to meet performance standards, Sic misconduct or violation of company rules or policy.
On strike or locked out
On a leave of absence (Explain reason in comments)
Reasonable assurance of unemployment (educational institution only)
Still employed or on call.
Comments (Optional)

4. Provide the amount of Massachusetts gross wages paid to this claimant during each of the periods listed.

	Wage Period	Gross Wages on File	Enter Gross Wage or Correct Wages on File
A	01/01/02 thru 06/30/02	$ 10,400.50	
B	07/01/02 thru 09/30/02	$ 4,800.00	
C	10/01/02 thru 12/31/02	NONE	
D	01/01/03 thru 03/31/03	$ 7,200.00	
E	04/01/03 thru 06/14/03	NONE	

5. At separation, did this individual receive or apply for any of these types of payments:
0 Vacation Pay?
0 Retirement Benefits?
0 Severance Pay?
0 Employee signed a release of claims required to receive all severance pay

6. Contact Name for Separation Information: Ext: Fax:
Telephone: Signature:
Employer Certification: These statements are true to the best of my knowledge and belief.
Form Completed by:
Contact us at: (555) 555-5555 for more information on completing this form.
3 Form 1062 - Rev. 02/20/03

Return the form timely

You must return this form to DUA within 10 calendar days of the mailing date. Both the date DUA mailed the form to you and the due date for return of the form are clearly noted on the form.

When the last day of this 10-day period falls on a Saturday, Sunday or legal holiday, the form is considered returned "timely" if returned to DUA or postmarked on the next business day.

The return address is listed in two places on the form – on the top left corner and on the reverse side, where it is pre-printed to be inserted in the envelope provided. There are also guide marks for folding, so that the address shows in the window of the envelope. First class postage is required.

You can also fax the form to DUA. The fax number is on reverse side of the form, below the address.

Providing this information in a timely manner is essential to preserving your right to continue to participate in the determination and appeals process. This includes your right to protest a determination to pay a claimant who has listed your company as a former employer.

Failure, without good cause, to return this form in a timely manner may result in:

- ➜ Loss of your right to file an appeal.
- ➜ Loss of rights at a hearing if a disqualified former employee files an appeal. You may be asked to appear at the hearing as "witness", but would not be allowed to appeal any adverse decision.
- ➜ Charges to your account if benefits are paid, even if those charges would ordinarily be charged to the solvency account.
- ➜ Potentially higher experience rating, resulting in increased contributions.

Completing the DUA Request for Information
The DUA *Unemployment Insurance Request for Information* (Form 1062) is the first notice you will receive that a former worker has filed an unemployment insurance claim.

The accurate completion of this form and its timely return to DUA are vital in preserving your rights as an employer. This includes your right to protest a claim or charges for a claim ensuring that benefits are paid to claimants who meet the eligibility requirements.

There are six sections where you need to confirm or complete information. Use blue or black ink only.

1. Verify your DUA account number.
Your DUA account number is pre-printed on the form. If needed, a corrected number can be entered in the boxes on the right side of this section.

2. Information on the person who filed the claim.
Check the information pre-printed on the form:

- ➜ Claimant's name
- ➜ Claimant's social security number
- ➜ The date the claim was filed
- ➜ The date the claim is effective

Complete the dates requested: the day the employee started work and the last day the employee actually worked.

3. The claimant's employment status/reason for separation.
You need to fill in **one** reason. There is also some space for comments, if needed. Additional space for comments is on the reverse side of the form.

By law, all information provided to DUA is confidential and privileged. It cannot be the basis for any slander or libel actions.

4. Wage information.
There is space for five calendar quarters/wage periods. Some wages – from wages reported by you to the Massachusetts Department of Revenue (DOR) – may be pre-printed. Check that those amounts are accurate. Correct any inaccurate amounts and enter gross wages for any other quarters during which wages were paid to the claimant.

- ➜ When wages are requested, report **gross wages, not take-home pay.**
- ➜ Report wages actually **paid** for the dates in question, **not wages earned.**
- ➜ The term "wages," as used in the Unemployment Insurance Law, refers to every form of remuneration paid directly or indirectly to employees, including salaries, commissions, tips and bonuses; severance pay; reasonable cash value of board, rent, housing and lodging; and all payments made in any medium other than cash.
- ➜ If the request for the amount of wages paid to an employee is for a partial calendar quarter, be sure to provide information on wages for that period only.

5. Payments other than wages.
There are four choices. Complete **any/all** that the claimant applied for or received.

- ➜ Vacation pay
- ➜ Retirement benefits
- ➜ Severance Pay
- ➜ Release of claims required.

For more information on these types of payments and their effect on the receipt of unemployment insurance, please see Section 3.

6. Contact information.
Complete this section by providing:

- ➜ The name of the person to be contacted for follow-up information regarding the reason for separation.
- ➜ Telephone number
- ➜ Fax number.

There is a certification statement and a place for the name and signature of the person who completed the form.

If the Separation Information is not Timely

The primary consequence – when the form is returned late without good cause – is the loss of protest and appeal rights. This can have an impact on your employer charges, your experience rating and the contributions owed to DUA.

The law also allows for a penalty of $25 for each late form. If you receive notice of a penalty assessment, you may pay the penalty at that point or file a protest within 10 days. The protest should explain why you were unable to return the form timely.

Interested party employers – those for whom the claimant worked during the last eight weeks of employment – who do not return the form timely, will receive a Determination as to Timely Return of a Claim Notice (Form 0676), which will indicate whether there was "good cause" for the late return of the form. You have the right to appeal a determination that you did not have "good cause", but it must be done within 10 calendar days of mailing.

Notification of action taken on a claim

You will receive notification if:

➜ You are an "interested party" employer; and

➜ You returned the separation request timely.

If the claimant has been approved, the form will have information on your appeal rights.

If you were a base period employer – but not an "interested party employer""– and you returned the DUA Request for Information timely, your account should not be charged for that claim providing that your former employee was separated under potentially disqualifying circumstances.

This means that the claimant was discharged for misconduct or voluntarily left your employ without good cause attributable to your company.

If charges are eventually made to your account, you have the right to protest those charges.

Claimants May Reopen Claims

A claimant may stop collecting benefits – after finding new employment or returning to a former job – become separated from that employment, and start collecting any remaining benefits later in the claim. This is known as "reopening" a claim.

If you were the claimant's employer during the last eight weeks of the employment period prior to the latest separation, DUA will send you a Request for Information (Form 1074) so that DUA can determine the individual's ongoing eligibility for benefits.

It is important that you return this form timely. Although you may not accrue charges on the current claim, it is possible to be charged for this claimant on a subsequent claim. Returning the form timely will protect your future protest rights for those charges.

In addition, the separation information you provide may have an impact on the claimant's right to continue to collect benefits on the current claim. The same separation rules apply as on the filing of an initial claim. If the claimant leaves any employment during the benefit year – and that separation is for a reason that would result in disqualification – the claimant may not be eligible to continue to collect benefits until fulfilling the requalification requirement.

When an Employee Refuses a Recall

If an employee does not return to work after you have issued a recall, you must notify the DUA TeleClaim Center in writing within five days and include the employee's name, social security number, occupation, reporting date and your method of notification.

DUA will determine if the individual had a "good cause" reason for refusing the recall. A disqualification of the individual may result if there was not good cause.

5. Protecting Your Rights

The DUA Hearings and Appeals Process

Appealing a Claim Determination

The Massachusetts Unemployment Insurance Law allows any interested party who disputes a determination on an unemployment insurance claim to appeal that determination and request a hearing. This includes former employers – for whom the claimant worked during the eight weeks prior to filing the claim – in addition to the claimant.

There is a three-level appeals process for parties disputing an unemployment insurance claim determination:

➜ **DUA Hearings Department**

This is the first level of the appeals process. A hearing is held before a DUA review examiner when an employer or claimant has appealed a determination made by a DUA claims adjudicator.

This appeal must be made within 10 days of receiving the Notice to Employer of Approved Claim (Form 0124).

➜ **Board of Review**

The second level is an appeal to the Board of Review. This is for a claimant or employer who is protesting the hearings decision of a DUA review examiner. The Board is a three-member panel appointed by the Governor and administered independently of DUA. The Board may uphold, reverse or modify the decision of the review examiner. Appeals to the board must be made within 30 days of the mailing of the hearings decision.

➜ **District Court**

This third level appeal to a Massachusetts District Court is available if a party disagrees with a decision of the Board of Review. An appeal to District Court must be made within 30 days of the mailing of the Board's decision.

A party dissatisfied with a District Court decision may appeal that decision to the Massachusetts Appeals Court.

Notification of An Approved Claim

For the employer, the formal appeals process generally begins when you receive a Notice to Employer of Approved Claim (Form 0124). (For your former employee, it usually begins when he or she receives a Notice to Claimant of Disqualification.)

You or your representative may request a hearing by:

➜ filling out and returning by mail the bottom of the Form 0124 to the DUA TeleClaim Center, or

➜ sending a letter to the TeleClaim Center.

The request for a hearing **must be postmarked within 10 calendar days** after the mailing of the DUA notice. For mailed requests, the United States Postal Service postmark date is considered the filing date. For your protection, you may choose to use certified mail with a return receipt.

Usually three days of receiving an appeal request from an employer or employee, an appeals acknowledgment will be issued to both parties. This notice indicates to you that the Hearings Department has received your appeal.

The Scheduling of Hearings

Approximately two to three weeks after your request is received, DUA will mail you a Notice of Hearing. This notice will indicate the:

➜ date,

➜ time,

➜ location – based on the needs and locations of both the claimant and the employer,

➜ a description of the issues involved, and

➜ your legal rights and responsibilities.

In general, you may not apply for a change in the date, time or location unless there is good cause. Requests should be made to the Hearings Department no later than the postponement deadline date on the notice.

Because of the need to inform all parties who will be participating in the hearing – and because DUA considers a prompt hearing to be the right of both parties. Requests made after the deadline date will be granted only for a documented emergency.

Circumstances for Telephone Hearings

The hearing will take place via a telephone conference call if :

- ➜ Parties would have to travel more than 75 miles to the hearing;
- ➜ Safety, security or accessibility issues exist.

Prior to the hearing, DUA will mail materials to both parties describing the information to be covered, as well as a Notice of Telephone Hearing and copies of any documents that will be part of the record.

Withdrawing from a Hearing

If you decide to withdraw your appeal for any reason, this request must be made in writing. Please refer to your docket/case number, located in the upper right hand corner of the notice, when communicating with DUA about the hearing.

Failure to appear for a hearing that has been scheduled because of your appeal, you will be considered to have defaulted and the hearing will not go forward. You will receive a notice from DUA that you have defaulted and no longer have appeal rights on the claim.

If you have a valid and compelling reason that prevented your attendance, you may submit information in writing within 10 days of the notice. Under these circumstances, your appeal will be reinstated and a new hearing will be scheduled.

If you choose not to attend a hearing that the claimant has requested, the examiner will hear and decide the case on the basis of the evidence presented at the hearing. If the claimant is the only party present at the hearing, generally his or her sworn testimony will be the primary evidence on which the decision is based.

Your Rights at An Appeal Hearing

DUA review examiners conduct hearings in accordance with Massachusetts' "fair hearing" regulations, a copy of which is available at nominal cost from the State Bookstore, State House, Room 116, Boston, MA 0213.

Ask for a copy of the "Standard Adjudicatory Rules of Practice and Procedure" [801 CMR 1.02 and 1.03].

As an interested party, you have the right to:

- ➜ Be represented by an attorney, professional agent or any person who can assist in presenting an effective case to the examiner.
- ➜ Review all DUA files that relate to your case prior to the hearing. The file is generally available for review two to three days before the hearing. You should make arrangements in advance with the hearings department to review these documents and the appropriate sections of Chapter 151A, the Employment and Training Law. The law is available online at DUA's web site – www.Mass.gov/dua – under the Forms and Publications section.
- ➜ Present evidence to support your statements.
- ➜ Present witnesses who can provide firsthand testimony relevant to the issues in the case.
- ➜ Cross-examine, rebut, and confront witnesses.
- ➜ Obtain a subpoena to compel the attendance of a valuable witness or the production of documents. You should request this from your regional hearings office as soon as you receive your hearing notice. Subpoenas must be requested at least four days prior to a hearing. You must arrange to have a neutral third party (sheriff, constable or other person) serve the subpoena, and you must pay the server's fee as well as a witness fee and mileage allowance.
- ➜ Be assisted by an interpreter. If you or the claimant require an interpreter, DUA will make arrangements to provide the service free of charge.

How the Hearing is Conducted

Once a hearing has been scheduled, the DUA review examiner assigned to the appeal is responsible for all procedural matters.

In order to determine the facts of the case and make a fair decision, the impartial review examiner – who has no knowledge of the case aside from reading the file documents – ensures that all parties have an adequate opportunity to present relevant testimony and documents.

After the parties have assembled in the hearing room, during the "prehearing," the review examiner may:

- ➜ Inquire whether any factual matters, such as the dates of employment, are undisputed.
- ➜ Review the case file to identify the exhibits to be introduced as evidence.
- ➜ Establish the number of witnesses and the order in which the parties will present them.

➜

- Once the hearing starts, the review examiner will begin to create the "hearing record." This is a tape recording of the proceedings for possible later use by a higher appeal body. In a brief introductory statement, the examiner will explain your rights during and after the hearing; the nature and scope of the issues in the case; and the meanings of any terms that may be unclear. Finally, the hearing officer will name and number all written exhibits and will place all witnesses, including you, if you are testifying, under oath.
- As the hearing progresses, you will be asked to testify and to present your witnesses, if any. The review examiner will direct questions to your witnesses if an attorney or agent does not represent you. However, if you do have representation at the hearing, the examiner will first establish the witness's identity for the record and then may allow your representative to conduct the questioning. When questioning is completed, if the hearing officer feels that some facts are unclear, he or she may direct additional questions to the witnesses.
- When one party completes testimony, the opposing party may then cross-examine to bring out additional facts that bear on the earlier testimony, including the accuracy of that testimony. This allows the review examiner to weigh all testimony accurately in reaching a decision.

Throughout the hearing, you have the right to:

- object to testimony;
- question supporting and opposing witnesses (including your former employee);
- explain or rebut testimony; and
- present written arguments to help the examiner evaluate the evidence.
- If a new issue, (i.e., one not contained in the hearing notice) is raised by one party, the examiner may order a "continuance" for the remainder of the hearing. This means that the hearing will be continued on a later date in order to permit the other party to collect and present additional evidence. A continuance may also be ordered if a subpoenaed witness whose testimony is vital to the decision fails to appear. This is to allow the subpoena-issuing party to obtain a court order enforcing the appearance.
- When both parties have presented all testimony, the review examiner will officially close the hearing and dismiss the parties.
- In most cases, a written decision will be mailed to you within 14 days after the hearing. Decisions are not given orally, in person or over the telephone. The decision will include a statement of the issues, findings of fact, conclusions of law and the reasoning on which the decision was based. Also included in the decision will be an explanation of how to file an appeal to the Board of Review.

The recording of the hearing is confidential and is retained by the regional hearings office in the event of a further appeal. You may order a copy of the recording (at a cost set by the Massachusetts Executive Office of Administration and Finance) by calling your regional hearings office. The current price is $7.50 per cassette.

Appealing to the Board of Review

If you plan to appeal a Hearings Department decision to the Board of Review, you must do so within 30 calendar days of the mailing date of the review examiner's decision.

File your appeal by mail, using a DUA appeal Form 1801 or a signed letter addressed to the Board of Review. In either case, the United States Postal Service postmark date will be considered the date of filing.

It is not advisable to wait until the Board of Review level to appeal a DUA determination. In most cases, the Board relies on the evidence presented at the first hearing in making a decision whether to support or reverse the previous decision.

If you file late, the Board of Review may hear your case to determine if your appeal should be accepted. If the board rules that, under the circumstances, the appeal was a timely one, then the board will consider the application on its merits to determine if any further action should be taken.

As part of this step, a review examiner assigned to the Board of Review will review the hearing record and the first examiner's decision and then make recommendations to the Board members.

The board must grant or deny such an application for review within 21 days after your appeal. If the board does not act within the 21-day time period, the application is

denied and any further appeal must be made to a Massachusetts District Court. Any appeal must be filed within 30 days from the end of the 21-day consideration period.

If, however, the board grants your application within the 21-day period, it may take any of the following actions:

- ➜ Decide the case based solely on the hearing record.
- ➜ Return the case to the DUA Hearings Department for additional evidence on specific points raised at the first hearing.
- ➜ Schedule a new hearing before the Board in order to take additional evidence.
- ➜ Ask you or the claimant to respond in writing, providing reasons for agreeing or disagreeing with the review examiner.
- ➜ Remand for a de novo hearing. The request for a de novo hearing means that the case will be heard again by a different review examiner who has no prior knowledge of the case.

Unless a de novo hearing is scheduled, the Board of Review will examine all of the evidence and issue its own decision in the case.

Appeals to District Court and Beyond

If you disagree with the Board's decision, you can appeal to the Massachusetts Trial Court, District Court Department, generally in the district where your operations are located.

You have 30 calendar days after the mailing of the Board's decision – or the Board's denial of your application for further review – to file a third level appeal.

For further guidance on filing a court appeal, refer to Massachusetts General Laws, Chapter 151A, Section 42. This is printed on the reverse side of Board of Review decision notices.

How to Represent Your Organization at a Hearing

1. Be prepared.

- ➜ Have documentation ready.
- ➜ Review the file beforehand.
- ➜ Be ready to make an entire case for denying benefits, if necessary.

2. Have witnesses ready.

- ➜ Have staff present who can testify directly on the events which led to the separation, especially if the claimant was discharged for deliberate misconduct.
- ➜ The most reliable testimony is from someone directly involved in the separation and/or someone who actually saw or heard events, which led to the separation.

3. Present both written evidence and direct testimony.

- ➜ For the important issues in dispute, particularly company policies, it is important to have copies of materials and witnesses.
- ➜ Be ready to testify whether these policies are widely known, how policies are known and if policies are uniformly enforced.
- ➜ If you issued warning letters to the claimant, you should bring copies of those, along with written records of oral warnings. If company policy is included in an employee handbook, for instance, you should bring a copy of that handbook.

4. Keep to the facts and relevant information only.

- ➜ Restrict your presentation to issues relevant to the separation and provide evidence that the hearings officer needs to make findings of fact under the law.

5. Question the claimant carefully.

- ➜ Allow the claimant to present his or her case fully before beginning cross-examination, to make certain that all relevant facts are brought before the DUA hearing officer.

If you have any additional questions about the conduct of the hearing or the hearings process, contact your regional hearings office.

DUA Regional Hearings Offices

Greater Boston Region
19 Staniford Street
1st Floor
Boston, MA 02114
Tel: 617-626-5200

Metro North Region
11 Lawrence Street
2nd Floor
Lawrence, MA 01840
Tel: 978-683-4194

Southeast Region
36 Main Street – 1st Floor
Brockton, MA 02301
Tel.: 508-894-4777

West/Central Region
88 Industry Avenue
Springfield, MA 01104
Tel.: 413-452-4700

6. Financing Unemployment Insurance

How Contributions are Calculated

The unemployment insurance program is funded through two separate, but related contributions - one federal and one state.

Unemployment insurance benefits paid to Massachusetts workers are funded with contributions paid by the Commonwealth's employers. These contributions are paid to DUA and are deposited into the state's Unemployment Insurance Trust Fund. All unemployment insurance benefits are paid from this fund.

Governmental and non-profit employers are exempt from the FUTA tax. In addition, governmental and non-profit employers may choose to reimburse DUA dollar-for-dollar for unemployment benefits paid to their workers instead of paying contributions. (See Section 7.)

If You are a New Employer

A new employer pays unemployment insurance contributions at a rate consistent with an account balance "positive reserve percentage" of between 10.5 percent and less than 11 percent on the current schedule. Therefore, this rate changes any time the schedule changes.

New employers in the construction industry – North American Industrial Classification System code 23—pay at a rate consistent with the average rate of employers in this code.

Establishing Your Account

As a new employer, the Unemployment Insurance Law (Massachusetts General Laws, Chapter 151A) requires that you register with DUA by filing an Employer Status Report (Form 1110-A) which can be downloaded at http://www.detma.org/revforms.htm or register online at https://web2.detma.org/revenue/ereg_e01_welcome.aspx?bhcp=1.

This registration is used to assign a DUA employer account number to your company or organization and to establish your account.

The DUA Status Department can be reached at 617-626-5050. The Status Department will also provide assistance in completing the registration and answer any questions you have.

See page 4 for the standards under which employer liability is determined.

The Basics of the Contributions System

After two years at the "new employer rate," your quarterly state contributions are based on an "experience rating" system. (This system is described in greater detail below.)

Basically, this means that the amount of unemployment contributions a company pays – based on the company's assigned contribution rate'– is related directly to the amount of unemployment insurance benefits paid to its workers.

The amount of your contributions for each year will depend on a number of factors including the:

- ➜ size of your payroll and the your wages subject to contribution;
- ➜ contributions previously paid to DUA;
- ➜ amount of unemployment insurance benefits charged against your account;
- ➜ amount of reserves in your account; and
- ➜ amount of reserves in the Massachusetts unemployment compensation fund.

Contributions are Based on Wages Paid

Once your contribution rate is assigned, that rate is applied to the first $14,000 in wages paid by you to each employee in any calendar year.

The term "wages" – as used in the Unemployment Insurance Law – refers to every form of remuneration paid directly or indirectly to employees, including:

- ➜ salaries,
- ➜ commissions,

- ➜ tips,
- ➜ bonuses,
- ➜ separation pay (see below),
- ➜ reasonable cash value of board, rent, housing and lodging, and
- ➜ all payments made in any medium other than cash.

Wages should be reported when they are paid, not when they are earned.

Wages Subject to Contributions

You are required to provide DUA with information about your employees' wages, in order for your contribution rate to be calculated accurately.

Total wages subject to contribution as reported by each employer for the rate computation period and received through November 30 are used in the experience rating process. Payments received after October 31 of each year are not used in the rating process.

If you fail to supply the necessary wage figures by November 30, DUA has the right to estimate them. Estimated wages are based on the highest wages subject to contribution filed in the computation period. This could result in an increase in your contribution rate for the following year.

If you report no wages subject to contribution during the computation period, DUA will assign a rate based on the account balance – positive or negative – **as** of the computation date.

Understanding Employer Contributions

The Annual Statewide Contribution Schedule

The Table of Contribution Rates and Schedules is in Section 10. This table displays 7 available schedules. The law specifies which schedule will be in effect for each calendar year based on the "reserve percentage" of the unemployment insurance trust fund. Each schedule provides a range of contribution rates that can be assigned to individual employers.

The reserve percentage is the ratio between the trust fund balance as of September 30, and the total payrolls of all contributing employers during the preceding calendar year.

In some cases, state legislation determining the rate schedule in effect for a specific year may supercede the rate schedule set according to the reserve percentage.

Your experience rating account

An experience rating account is maintained for each company or organization that has registered with DUA as a contributory employer.

This account is a record of the contributions paid to DUA and the amount of unemployment insurance benefits paid to an employer's workers or former workers and is maintained for the purpose of determining the annual tax rate for each employer. An employer has no substantive rights to any balance shown in the account.

Contribution rates are established based on each employer's account activity during the "computation year" which begins October 1 and ends the following September 30.
DUA uses a system of credits and debits to determine the balance in your account. When you pay your quarterly contribution, that amount is entered as a credit to your account on the actual date paid. Payments for the final quarter of the computation year are credited on September 30 provided they are received by October 31.

When DUA provides benefits to an employee or former employee during the computation year, these benefit charges become debits to your account.

As of September 30, employer accounts are closed in order to compute contribution rates for the following calendar year. A beginning account balance is established on October 1 each year.

Benefit Charge Liability

- ➜ If you are the most recent employer in the claimant's base period, you will receive the first charges for a worker's unemployment insurance benefits.
- ➜ If you are a base period employer, but not the most recent employer, you may also be charged at some period in the claim.
- ➜ Charges to your account continue as long as the claimant collects benefits or until the total amount of charges equals 36 percent of the wages paid by you to your employee during the base period. (See Section 3.)
- ➜ When an employer's 36 percent limit is reached, DUA begins charging the next-most-recent employer's account, and so on throughout the base period.

Notification of Benefit Charges

For each month during which charges are made to your account, you will receive a "Statement of Benefit Charges" (Form 1088), which itemizes all charges, credits and adjustments made for each week of the month, and identifies each employee by name and social security number.

Check this statement against your records; it is important to verify each benefit charge to protect yourself against fraud, processing errors or other improper charges. An individual might have returned to work, for example, or have had partial earnings during the week in question.

If you believe a charge is incorrect and should be removed from your account, use the first page of the form to file a protest within 30 days of the mailing date shown on the form. Benefit charges will not be removed from your account if you failed to return the DUA request for separation and/or wage information within the 10-day time period, or if you failed to protest via the "Statement of Benefit Charges" form within the 30-day limit.

DUA will notify you of any action taken. Credits appearing on the benefit charge statement will be indicated by a "minus" sign and will show the name and social security number of the employee for whom the original charge was made. For answers to your questions, contact the Employer Charge Department at 617-626-6350.

You may access your benefit charge statements online. Simply register for DUA's UI Online Services by going to www.Mass.gov/det (See Section 8 for more information.)

Your Individual Contribution Rate

Once the statewide schedule is set for the coming calendar year, DUA calculates contribution rates for individual employers.

Early each year, you will receive a Notice of Unemployment Insurance Contribution Rate (Form 9701V). This will include your annual rate and the data used to calculate it.

Unless you are a new employer, your contribution rate is determined by your experience rating account balance.

Here is how your rate is determined:

Step 1: The first step is for DUA to calculate the ending balance of your account as of September 30. This is accomplished by computing all of your company's account activity for the preceding 12 months. This includes:

- ➜ Your account balance at the start of the computation period (starting October 1);
- ➜ Added to this are the contributions you paid during the prior 12 months;
- ➜ Subtracted are the benefits charged to your account;
- ➜ Also subtracted is the statewide "solvency assessment" charged to your account. (The solvency assessment is described below.)

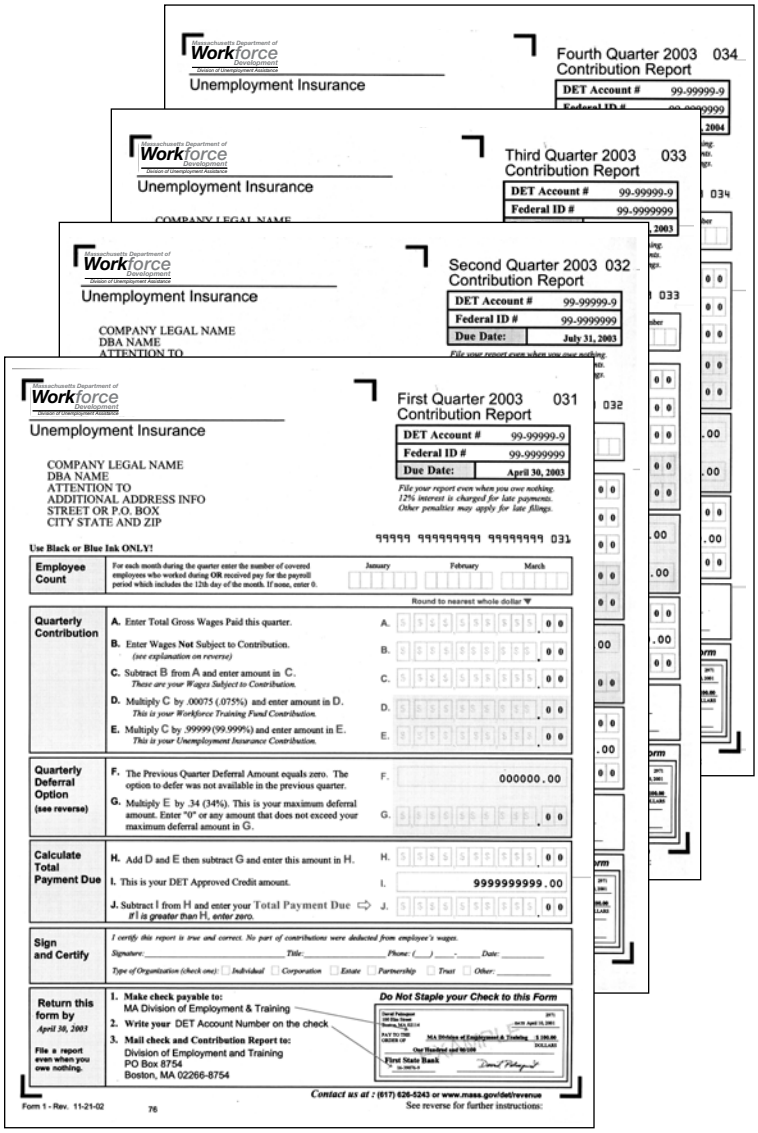
Step 2: This net balance is then compared to the portion of your payroll subject to the Unemployment Insurance Law. This yields your "reserve percentage." Your reserve percentage may be positive or negative, depending on the activity in your account.

Step 3: This reserve percentage is used to determine your contribution rate by applying it to the schedule in effect for the calendar year.

DUA will notify employers of their individual rates. The notice includes the:

- ➜ Employer's account balance;
- ➜ Wages subject to contribution;
- ➜ Reserve percentage;
- ➜ Contribution rate; and
- ➜ Workforce Training Fund contribution rate, when applicable.

If you believe a computation error has been made in your contribution rate, you may request a review of the rate determination from the Experience Rating Department. This request must be made in writing, within 60 days of receipt of the rate notice. If you have any questions, contact the Experience Rating Department at 617-626-6893.


Massachusetts Department of Workforce Development
Division of Unemployment Assistance
Unemployment Insurance

Fourth Quarter 2003 034
Contribution Report
DET Account # 99-99999-9

Third Quarter 2003 033
Contribution Report
DET Account # 99-99999-9
Federal ID # 99-9999999

Second Quarter 2003 032
Contribution Report
DET Account # 99-99999-9
Federal ID # 99-9999999
Due Date: July 31, 2003
File your report even when you owe nothing.

COMPANY LEGAL NAME
DBA NAME
ATTENTION TO

First Quarter 2003 031
Contribution Report
DET Account # 99-99999-9
Federal ID # 99-9999999
Due Date: April 30, 2003
File your report even when you owe nothing.
12% interest is charged for late payments.
Other penalties may apply for late filings.

COMPANY LEGAL NAME
DBA NAME
ATTENTION TO
ADDITIONAL ADDRESS INFO
STREET OR P.O. BOX
CITY STATE AND ZIP

99999 999999999 99999999 031

Use Black or Blue Ink ONLY!

Employee Count	For each month during the quarter enter the number of covered employees who worked during OR received pay for the payroll period which includes the 12th day of the month. If none, enter 0.	January / February / March
Quarterly Contribution	A. Enter Total Gross Wages Paid this quarter.	A.
	B. Enter Wages Not Subject to Contribution. *(see explanation on reverse)*	B.
	C. Subtract B from A and enter amount in C. *These are your Wages Subject to Contribution.*	C.
	D. Multiply C by .00075 (.075%) and enter amount in D. *This is your Workforce Training Fund Contribution.*	D.
	E. Multiply C by .99999 (99.999%) and enter amount in E. *This is your Unemployment Insurance Contribution.*	E.
Quarterly Deferral Option (see reverse)	F. The Previous Quarter Deferral Amount equals zero. The option to defer was not available in the previous quarter.	F. 000000.00
	G. Multiply E by .34 (34%). This is your maximum deferral amount. Enter "0" or any amount that does not exceed your maximum deferral amount in G.	G.
Calculate Total Payment Due	H. Add D and E then subtract G and enter this amount in H.	H.
	I. This is your DET Approved Credit amount.	I. 9999999999.00
	J. Subtract I from H and enter your Total Payment Due *If I is greater than H, enter zero.*	J.
Sign and Certify	*I certify this report is true and correct. No part of contributions were deducted from employee's wages.* Signature: Title: Phone: Date: Type of Organization (check one): Individual Corporation Estate Partnership Trust Other:	
Return this form by *April 30, 2003*	1. Make check payable to: MA Division of Employment & Training	Do Not Staple your Check to this Form
File a report even when you owe nothing.	2. Write your DET Account Number on the check	
	3. Mail check and Contribution Report to: Division of Employment and Training PO Box 8754 Boston, MA 02266-8754	

Contact us at : (617) 626-5243 or www.mass.gov/det/revenue
See reverse for further instructions:
Form 1 - Rev. 11-21-02 76

Filing Employer Quarterly Contribution Reports

You are required to file reports with DUA until you cease doing business in Massachusetts, even if you employed no workers or paid no wages during a quarter. If your business changes in any way (new ownership, incorporation, partnership, out of business, or your organization acquires another business or the assets of another employer), you must notify DUA in writing immediately. To assist DUA in verifying data, you must also keep copies of all your reports and supporting data on file for four years.

If you discover an error in a previous report, notify DUA at (617) 626-5095.

If you fail to file for a quarter, the law allows DUA to estimate based on information available.

You must file a quarterly Contribution Report (Form 1) that DUA mails to you for the three-month periods ending in March, June, September and December. After the close of each quarter, you have one full calendar month in which to file your report and pay your contribution.

Each quarterly contribution report should include only the information that pertains to that quarter —but may include any carry-over contributions due from a prior quarter if you chose to take a deferral.

Paying Your Contributions

Payments are due by April 30, July 31, October 31 and January 31.

For the first and second quarters, employers may defer up to one-third of the contributions due, to the following second and third quarters respectively.

Copies of the contribution report are mailed automatically each quarter. If you fail to receive yours on time, you can request it from the Employer Reports Department at 617-626-5243 or you can file and pay online at https://wfb.dor.state.ma.us/Webfile. It is your responsibility to file the report before the due date. Copies are also available on the DUA Web site – www.Mass.gov/dua – in the Forms and Publications section.

If you fail to file by the due date, you may be assessed a penalty. A Demand for Payment (Form 0702) is sent to any employer underpaying contributions. By law, you will be charged interest on all contributions paid after the due date. The interest is either 12 percent per year or the interest rate established by the Department of Rev

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enue as of January 1 of the calendar year – whichever is higher. DUA charges interest on the contributions due starting from the due date until the payment date.

UI Solvency Account Assessment

The state maintains a general account known as the "solvency account." This account is used to finance UI benefits that are not charged to an individual employer.

These include charges for:

- ➜ dependency allowances;
- ➜ benefits paid as the result of an approved voluntary separation for what is considered to be an urgent or compelling personal reason;
- ➜ benefits paid to claimants who are in approved training programs and who may be eligible for up to 18 weeks of additional UI benefits in order to complete the approved training; and
- ➜ benefits paid against accounts whose reserves have been depleted.

Interest earned on the unemployment insurance trust fund balance is credited to this account.

A reserve percentage is determined for the solvency account in the same way one is determined for the unemployment insurance trust fund. For the solvency account, the formula used is the ratio between the closing balance of the account and the total taxable payrolls of all employers for the prior calendar year.

Your account balance is adjusted annually with a "solvency assessment."

Making Federal Payments

If you are a private, for-profit employer, you may be required to pay FUTA taxes. These taxes are paid directly to the Internal Revenue Service. Contact the IRS for information on your FUTA tax liability and filing obligations.

Employers are entitled to a FUTA tax credit for contributions paid to DUA in full and timely.

Voluntary Contributions

Massachusetts employers can choose to pay voluntary UI contributions. This program allows the state's businesses to manage their unemployment insurance costs by paying additional contributions in order to increase their account reserves and reduce their UI contributions for the forthcoming calendar year.

Any voluntary contributions you pay are credited directly to your company's account balance. This increases your company's reserve percentage and lowers your company's UI contribution rate.

An exact, predetermined amount must be paid. It is your choice. The voluntary contributions amount can be enough to reduce the rate to:

- ➜ the next lowest rate,
- ➜ the lowest rate on the rate table currently in effect, or
- ➜ any rate in between.

But paying voluntary contributions may not result in enough savings for your company. To help you decide if this program is right for you, just follow the steps below.

Determine Your Company's Eligibility
Here are the basic requirements. Employers must:

- ➜ Be eligible for experience rating;
- ➜ Have filed all quarterly Contribution Reports (Form 1) to date;
- ➜ Have paid all UI contributions, interest and penalties to date.

This means that there are categories of employers for whom voluntary contributions is not an option. These include:

- ➜ New employers until they receive an experience rating;
- ➜ Employers who are at the lowest rate of the schedule in effect for that calendar year;
- ➜ Employers who are delinquent in filing and paying their UI contributions, interest, surcharges or penalties.

If your company has any unpaid obligations to DUA, you may file any outstanding reports, pay the amount owed, and then choose to pay voluntary contributions. This must all be completed within the 30 days allowed for paying voluntary contributions. Any outstanding debt must be paid separately and cannot be included with your voluntary contribution payment.

There are other categories of employers who are not eligible for voluntary contributions including governmental employers, suspended accounts, and employers with no wages.

Calculate If Voluntary Contributions Works for Your Business
To make it easy for you to consider all of your options, DUA has developed a Voluntary Contributions calculator.

The calculator is on the DUA website at http://www.detma.org/revwagecalc.htm. The calculator will allow you to select a variety of rates and will provide you with the amount needed to have a specific experience rate assigned to your company.

You will need your current Notice of Employer's UI Contribution Rate/Statement of Account Balance (Form 9701-V) when using the calculator.

All you need to do is:

- ➜ Enter your account balance (from Line 8).
- ➜ Enter the wages subject to contribution (from Line 9).
- ➜ Click Submit – and the screen will display all the next lower rates and the payment required for each of those rates.

You can print the calculator results for your records and download a voluntary contribution payment form to submit with your voluntary contribution payment.

Send Your Payment to DUA
If you decide to participate in voluntary contributions, your payment must be:

- ➜ Made by a separate check for the exact amount required to lower your company's rate;
- ➜ Submitted with the voluntary contribution payment form or a reasonable facsimile; and
- ➜ Received by DUA by the due date (Item 13) on your Notice of Employer's UI Contribution Rate, Form 9701V.

Some Other Things You Should Know
Voluntary contribution payments:

- ➜ Cannot be used for any purpose other than to reduce a company's UI contribution rate;
- ➜ Cannot be refunded;
- ➜ Are not considered for FUTA 940 certification;
- ➜ Do not reduce Unemployment Health Insurance (UHI) or Workforce Training Fund contribution rates; and
- ➜ Do not retroactively reduce UI contribution rates.

If you have questions about your company's eligibility, or simply want more information, please check the DUA website www.mass.gov/dua or call the Contributions Department at 617-626-5058.

Workforce Training Fund Contributions
The Workforce Training Fund (WTF) awards grants to companies to provide workforce training and education programs for incumbent workers.

The WTF contribution is a flat rate of 0.06 percent of taxable wages. The rate is the same for all employers.

This payment – which is in addition to the unemployment insurance contribution payment and the unemployment health insurance contribution – is not added to an employer's account balance for experience rating purposes, nor can it be deferred.

See Section 8 for information on how to apply for a Workforce Training Fund grant.

Unemployment Health Insurance

Massachusetts employers covered by the Unemployment

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Insurance Law are also liable for a health insurance contribution. The funds from this contribution provide health insurance for eligible unemployment insurance claimants. This health insurance is called the Medical Security Plan, which is administered by DUA.

Health insurance contributions receipts are deposited in the Medical Security Trust Fund. They are not credited to employers' UI accounts and are completely independent of the unemployment insurance contribution trust fund.

DUA is responsible for collecting and processing health insurance contributions, including determining employer liability, as well as enforcement and employer auditing.

Employer Responsibilities

Payment of the health insurance contribution is similar to paying unemployment insurance contributions. In general, employers are required to report to DUA subject wages, the number of employees, and to pay health insurance contributions each calendar quarter.

Each employer subject to the unemployment insurance contribution is also subject to health insurance contribution reporting requirements.

Wages Used for Health Insurance Contributions

The definition of wages for health insurance contributions is the same as that for unemployment insurance contributions.

Whenever an average of fewer than six employees are employed during a quarter, wages paid in that quarter are exempt. That is, they are not to be considered as part of the wage base for the quarter (or calendar year), nor are employers of these very small firms liable for payment of health insurance contributions.

This does not change the definition of wages as forms of remuneration, but only exempts those wages based solely upon the average number of employees in a quarter.

Calculating Health Insurance Contributions

Employers must pay contributions on the first $14,000 of each employee's wages paid during the calendar year.

The amount of contributions due is calculated by multiplying these wages subject to contributions by the health insurance contribution flat rate of .12 percent for all subject employers - except for those meeting the exempt or reduced rate criteria. The result is the amount that must be paid as a health insurance contribution.

As described under "wage exemption," employers are not liable for payment of health insurance contributions in a quarter whenever the average employee count is fewer than six.

Also, employers are exempt when they meet the definition of "newly subject." That is, an employer is not liable for payment of health insurance contributions, for up to two years after first becoming subject to unemployment insurance contributions.

In addition, in the two years following expiration of the "newly subject" status, employer liability is reduced through lower contribution rates for the next two calendar years following the "newly subject" status. The liability exemptions and reductions are intended to ease burdens on newly formed businesses and organizations.

Employers operating within two calendar years following the "newly subject" status pay at rates of .04 percent and .08 percent respectively.

Reporting/Payment Requirements

All subject employers must file a quarterly Health Insurance Contribution Report (Form 1700) each calendar quarter except:

- ➜ "Newly subject" employers who are not required to file a quarterly report until that status expires.
- ➜ Those employers with fewer than an average of six employees in a calendar quarter are not required to file a report for that quarter, except for the first quarter each year.

Employers must file a quarterly report and pay contributions in full by the quarter due date to avoid interest and penalties. Although the Division of Unemployment Assistance will make every effort to mail a quarterly report to employers, failure to receive a report does not preclude an employer from the reporting and payment requirements.

The Form 1700 can be downloaded at http://detma.org/revforms.htm or you can file and pay online at https://wfb.dor.state.ma.us/Webfile.

When a quarterly contribution report is not submitted to DUA as required, the amount of liability will be estimated.

Health Insurance Enforcement

Interest will accrue on unpaid principal at the rate of 12 percent per year from the quarter due date until fully paid. Employer records will be periodically subjected to an audit performed by a DUA representative. Dunning activities may include estimation of liability and interest, property liens, and levies upon bank accounts.

Use WebFile for Business

In just a few minutes – with one quarterly transaction – you can conduct business with DUA.

With WebFile for Business you can:

➜ File and pay DUA unemployment insurance and Workforce Training Fund contributions;

➜ File and pay DUA unemployment health insurance contributions;

With WebFile for Business, you can eliminate paper forms and checks.

➜ You file your reports over a secure website.

➜ Your payment is electronically transferred.

WebFile for Business makes your record keeping more efficient. You get a single – immediate – confirmation report for your records detailing the:

➜ Date you filed,

➜ Information you submitted, and

➜ Amount you paid.

➜ Just go to www.Mass.gov/dor

➜ Select WebFile for Business under “Quick Links”

Revenue Enforcement

When employers fail to pay their unemployment insurance contributions or reimbursements, the effect is felt by all Massachusetts employers.

DUA 's enforcement powers are used to prevent and reduce the amount of overdue contributions. Possible enforcement tools available to DUA include:

- ➜ Ongoing, random audits of employer accounts to see if all workers are properly classified and wages were properly reported.
- ➜ Late filing penalties of 10 percent of the contribution due, with a floor of $35 and a ceiling of $1,000 for each late quarter.
- ➜ Levies on both a delinquent employer's bank account and state or local government funds owed to the employer after a court judgment and formal notice.
- ➜ Liens on real estate.
- ➜ Assistance from the state Department of Revenue in locating employers not registered with DUA.
- ➜ Civil complaints brought by DUA attorneys.
- ➜ Suspension of a delinquent employer's liquor license after a court judgement and a hearing.
- ➜ After notification, public disclosure through the publication of a list of delinquent employers owing more than $5,000.
- ➜ Prosecution of individuals and principals in corporations by the attorney general's office for failure to file or pay unemployment insurance contributions.
- ➜ A minimum $2,500 fine, up to $10,000 maximum, for filing but failing to pay unemployment insurance contributions.
- ➜ A minimum $10,000 fine, up to $50,000 maximum, for each quarter and/or a state prison sentence for a felony conviction on contribution evasion charges.

Tips to Help You Manage Your UI Costs

Manage your UI costs like any other business cost.

1. Forecast and budget your quarterly contribution payments.
2. Monitor monthly statements of benefits charged to you. Review these statements for accuracy.
3. Report to DUA if one of your former employees has returned to work although you are still being charged for benefits. DUA is serious about preventing the fraudulent collecting of UI benefits.
4. Explore every alternative prior to separation. Consider retraining, reassignment, advance notice, time off for a job search, referrals to other firms, or job placement assistance from DUA.
5. Document the circumstances surrounding each separation for reasons other than lack of work, so you'll be prepared to furnish DUA with accurate information promptly.
6. Participate in DUA's decision whether to award or deny benefits to one of your former employees.
7. Appeal DUA decisions if you believe that benefits were awarded to a claimant who does not qualify under the law.
8. Call back separated workers if work becomes available. Certified mail is the best way to do this. Let DUA know if you recall an employee who does not return to work.
9. Hire smart. Invest time before hiring to get the best workers. Check their work histories and references. Workers who are discharged for poor performance – because they lack the ability to do a job – are not disqualified from collecting benefits under the law.
10. Hire other UI claimants through your local One-Stop Career Center. This lowers overall disbursements from the UI trust fund.

7. Reimbursing for Benefits Paid

An Option for Non-Profit Employers

As a non-profit organization or as a municipality, you have the option to decide how you will finance the payment of unemployment insurance benefits to your workers.

The Division of Unemployment Assistance wants to help you make an informed decision by providing the information you need in order to select a payment method that best suits your financial situation.

The Reimbursable Method

While the information in Section 6 applies to most employers, governmental entities and non-profit employers may choose, in lieu of paying quarterly contributions, to reimburse DUA only when benefits are actually paid to their former employees. For some of these employers, the reimbursable method makes more sense because it does not require regular quarterly contribution payments.

Under the reimbursable method, you are billed for the cost of any and all benefits actually paid to former employees. This includes:

- ➜ dependency allowances;
- ➜ extended benefits;
- ➜ benefits paid when an employee quits a job and subsequently requalifies for benefits; and
- ➜ benefits paid which may be subsequently disallowed because of the claimant's disqualification. In contrast, under the contributory method, these costs would be charged to the appropriate solvency account.

For any month in which there are charges to your account – or a past due payment – DUA will mail you a "Statement of Reimbursable Benefits" (Form 1089-1) you can view and print this statement at https://ipasssecurity.detma.org/ipass/loginnew.asp?ipc=2 after you have signed up for on-line services. By law, you must pay this bill within 30 days of its mailing date, or request a review of questionable charges within the same time period. If you choose to question any charges, you may do so in the space provided on the back of the form. You may direct questions to the Reimbursement Section at 617- 626-5793.

Important Points to Consider

The maximum benefit rate is currently $551 a week. A claim for a former worker who is eligible for this amount for the maximum duration of 30 weeks can cost $16,530 – or more if the claimant has dependents or needs to be retrained.

Failure to anticipate personnel separations can lead to difficulties for small non-profit organizations. Employers choosing the reimbursable method should also be aware that the Massachusetts Unemployment Insurance Law requires them to reimburse DUA for benefits paid to former employees in circumstances under which contributory employers normally are not charged. Charges to reimbursable employers could result from any of the following:

- ➜ Dependency allowances awarded to claimants for each dependent child, up to a maximum amount equal to 50 percent of a claimant's weekly benefit rate. Dependency allowance is $25 per child. For example, a claimant with four children and a weekly benefit rate of $250 will actually collect $350 a week. [$250 + ($25 x 4) = $350]
- ➜ State-financed extended benefits awarded during periods of high unemployment. Claims in Massachusetts can be extended for up to 13 more weeks during a recession.
- ➜ Approved voluntary separations. Voluntarily leaving – without a good reason attributable to the employer – will normally disqualify a worker from receiving benefits. However, if it can be established that the reasons a worker left a job were of such a compelling nature that the separation was actually involuntary, benefits will be paid and a reimbursable employer would have to pay the costs of that claim.
- ➜ State approved training programs. Claimants in vocational training may receive benefits for up to 18 additional weeks. Reimbursable employers are liable for the full amount of approved retraining benefits paid. This can total up to $9,126 for claimants who are receiving the maximum benefit amount and who are in training for a period of 18 weeks beyond the duration of regular state UI benefits.

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- An erroneous payment to a claimant who was ineligible, resulting in an overpayment. Reimbursable employers must still reimburse DUA for these benefits paid. Once the claimant repays DUA, the reimbursable employer's account will be credited.
- Part-time workers who also work full-time for another employer and who are laid off from that full-time job. When the liability of the full-time employer is exhausted, reimbursable employers must pay for any remaining benefits paid, even though the claimant may be still working part-time for them. This is because a contributory employer 's liability for charges is limited to 36 percent of the total claimant wages during the claimant's base period. DUA first charges the most recent employer in that year. When that employer's 36 percent limit is reached, the next most recent employer is charged. DUA continues charging the claimant's employers of that preceding year until the claimant exhausts his or her maximum benefit entitlement. For subsidiary employers (secondary or part-time employment), the order for charging may be reversed.
- An employee leaving to take another job which does not "come through," or which results in a subsequent layoff; or a former employee who is initially disqualified for benefits, then obtains new employment, and is subsequently laid off for lack of work. In these cases, reimbursable employers are charged even if the claimant left the previous job under what would be disqualifying circumstances.
- The claimant is initially granted benefits, but is subsequently disqualified on appeal. Reimbursable employers must still reimburse DUA for the benefits paid. Once DUA recovers the money from the claimant, the employer's account will be credited.

It is important to know that DUA is prohibited, according to the Massachusetts Unemployment Insurance Law, from charging any of the reimbursable benefits listed above to the contributory employers' solvency account.

Estimating Your Risk

If you are a small organization, with relatively limited employee turnover, the reimbursable method may be best for you. However, if you select the reimbursable method, it is important to understand your financial obligations, specifically your responsibility to pay your portion of any claim where you are a base period employer. Even one or two claims against a very small organization or one with a limited budget could cause extreme financial hardship.

If you elect the reimbursable method, you may want to consider a self-imposed contributory system, setting aside the contribution you would have paid to DUA in an interest-bearing account. This way, you will be prepared if a claim is filed against your organization.

Changing Your Financing Method

You may change from one financing method to another by giving written notice to DUA. Once selected, however, that method is in effect for at least two calendar years.

If you are a governmental employer, this notice is due by December 31 of the year preceding the changeover year. For non-profit employers, notice is due by December 1 of the year prior to the changeover year.

After you inform DUA of your choice of financing methods, benefits are charged to your account according to the financing method in effect at the time a particular unemployment claim is filed.

New non-profit or governmental employers are asked to choose a financing method when the organization becomes subject to the Unemployment Insurance Law. If no financing method is selected – by law – the contributory method is assigned.

When deciding whether to become a reimbursable or contributory employer, you should consider all the factors described that may relate to your organization's potential unemployment liability.

For additional information on either of these financing methods, please call 617- 626-5050.

8. DUA Programs

Works Hiring Mass Stats

Preserving Massachusetts Jobs

The Massachusetts WorkSharing Program

WorkSharing

If your company needs to reduce payroll costs, because of a temporary decline in business, Massachusetts' WorkSharing Program is your alternative to layoffs. With WorkSharing you can reduce your payroll costs and maintain your valued workforce.

With WorkSharing, you avoid layoffs – avoid losing trained, skilled workers – by reducing the hours of work for
employees in your entire company, or a small unit or department.

Your workers receive unemployment insurance benefits to supplement their reduced wages.

➜ WorkSharing's multiple benefits

When you develop a WorkSharing Plan, you:

- Keep your skilled, trained employees;
- Reduce future hiring and retraining costs;
- Avoid disruption in your business operations;
- Remain prepared for future business growth; and
- Maintain worker productivity.

➜ WorkSharing eligibility

All Massachusetts employers are eligible to participate in the WorkSharing Program. This includes both large corporations with hundreds of workers and businesses with only two employees, non-profit as well as for profit, and even governmental entities.

Any workers who would be eligible to receive regular unemployment insurance benefits are eligible to participate in the WorkSharing Program.

➜ WorkSharing: A win-win program

Experienced, trained workers are a company's most valuable resource, one that is difficult and expensive to replace. When workers are laid off during a slowdown in business, the economic reality of being out of work – even temporarily – may cause them to seek new jobs elsewhere.

Both employers and workers have made a mutual investment in the success of a business.

There are no losers with Worksharing. When layoffs loom, Worksharing can help to preserve jobs and safeguard that mutual investment.

For more information call the Worksharing Program at 617- 626-5510. On the Web at www.Mass.gov/det/worksharing

Once you register with DUA, you can also:

➜ Post job openings on TalentQuest

➜ Browse job seeker resumes

Your Connection to the Massachusetts Economy

DUA Economic Data and MassStats

MassStats

DUA is a valuable resource for information on current economic trends. DUA economists collect and analyze statistics on population, employment, wages, economic indicators and occupational/industry projections.

Information is published regularly in printed publications and on the Web. In fact, all printed research publications can be downloaded from www.Mass.gov/dua

DUA's Web site has a large volume of economic data instantly available. Whether you are starting a new business or growing your current operations, ensure that you are building on a strong foundation by:

➜ Researching the best locations for your company.

➜ Getting an economic snapshot of Massachusetts cities and towns including family income, local tax revenues, property values, population, and building permit information.

➜ Checking on the availability of the labor supply you will need.

➜

Visit MassStats

DUA's interactive Web-based system – MassStats – gives you information on the Commonwealth's industries, occupations and labor force. It supplies you with a current picture of the state's economy and provides data to help with strategic planning.

An interactive Web-based labor market information system, MassStats includes a wide variety of economic data for the state of Massachusetts and its local areas, including cities and towns, labor market areas and Metropolitan Statistical Areas. With MassStats that information is available on demand – 24 hours a day/7 days a week.

On the Web at www.Mass.gov/dua

Quick Access to Our Virtual Agency

DUA Online Services for Business

UIonline for business

"DUA online" gives your business immediate access to a wide range of information and services.

Access information on your account

- ➜ Review benefit charge statements
- ➜ Look up your contribution rate
- ➜ View your past due contribution amounts and non-filed quarters
- ➜ View annual rate notice (Form 9701)

Perform business transactions

- ➜ Apply for WorkSharing
- ➜ Manage your WorkSharing plans
- ➜ Update your DUA mailing addresses
- ➜ Request "940" certification for federal taxation purposes
- ➜ Register a new business
- ➜ Request suspension of your account
- ➜ File and pay contributions

The DUA Web site includes all of the content found in this guide and more detailed information on the programs outlined in this section, in addition to information on Unemployment insurance benefits and related forms for your workers and current and historical labor market data;

Most DUA publications in PDF format for easy printing. Included are the DUA Unemployment Insurance Workplace poster and the UI "How to File an Unemployment Insurance Claim" pamphlet. Both are required for employee notification and are available online with text boxes so that you can customize and print them. Program applications and publications are also available online.

On the Web at www.Mass.gov/dua

9. Connecting with Our Services

One-Stop Career Centers/Walk-in Centers

DUA Administrative Department Directory

Our Main Address:
Massachusetts Division of
Unemployment Assistance
Charles F. Hurley Building
19 Staniford Street
Boston, MA 02114

General Information
617-626-6560

Administrative Office Hours
Monday - Friday,
8:45 a.m. - 5:00 p.m.

Executive Office:
617-626-6600

Governor's Commission on Employment of People with Disabilities
617-626-5190

Multilingual Services
617-626-5471

Customer Services

General Information
617-626-6560

Problem Resolution
617-626-6535

Administration and Finance

Human Resources
617-626-5100

Internal Control and Investigations
617-626-6680

24-Hour Fraud Hotline
800-354-9927

Accounting Services
617-626-5925

Budget Office
617-626-5960

Finance Services Department
617-626-5900

Facilities Management
617-626-6700

Hurley Building Operations
617-626-6700

Hurley Building Operations
617-626-6700

Economic Data

LMI and Career Information Resource Center
617-626-5744

Local Area Unemployment Statistics
617-626-5744

Mass Career Information System
617-626-5725

Legal Service

Legal Department
617-626-5600

Hearings Department
617-626-5221

Unemployment Insurance

1099G Questions
617-626-5647

Federal Claims UCFE-UCX
617-626-6853

Interstate Program Coordinator
617-626-6852

Interstate-General Information
617-626-6140

Medical Security Unit
617-626-5452

Overpayment Recovery
617-626-6300

Wage Reporting
617-667-5030

Employment Service Policy and Systems

Alien Labor Certification
617-626-5365

Applicant Services/Employer Services Support
617-626-5300

Veterans Services
617-626-5337

Tax Credits
617-626-5353

One-Stop Career Center General Information
617-626-5300

Revenue Services

Accounts Control Division
617-626-6898

Audit
617-626-6816

Certified Assessments
617-626-5750

Employer Liability Registrations
617-626-5050

Experience Rating
617-626-6893

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Governmental Contributions
617-626-5099

Refund Unit
617-626-5091

Revenue Enforcement
617-626-5770

DUA TeleClaim Center

To contact by telephone:
Call 1-877-626-6800 from the following area codes:
351, 413, 508, 774, and 978

Call 1-617-626-6800 from any other area code.

To contact by mail:
Greater Boston

Division of Unemployment Assistance
Telephone Claims Center
P.O. Box 9692
Boston, MA 02114-9692

Northeastern Massachusetts

Division of Unemployment Assistance
Telephone Claims Center
P.O. Box 7500
North Andover, MA 01845-7500

Southeastern Massachusetts

Division of Unemployment Assistance
Telephone Claims Center
P.O. Box 4000
Brockton, MA 02403-4000

Western Massachusetts

Division of Unemployment Assistance
Telephone Claims Center
P.O. Box 51918
Indian Orchard, MA 01151-5918

DUA Regional Hearings Offices

Greater Boston
19 Staniford Street – 1st Floor
Boston, MA 02114
617-626-5200

Northeastern Massachusetts
11 Lawrence Street – 2nd Floor
Lawrence, MA 01840
978-683-4194

Southeastern Massachusetts
36 Main Street – 1st Floor
Brockton, MA 01840
508-894-4777

Western/Central Massachusetts
88 Industry Avenue
Springfield, MA 01104
413-452-4700

DUA Unemployment Insurance Walk-in Centers

Greater Boston

Charles F. Hurley Building
19 Staniford Street – 1st Floor
Boston, MA 02114

JobNet
210 South Street – 1st Floor
Boston, MA 02111

Career Source
186 Alewife Brook Parkway
Cambridge, MA 02138

Everett Career Source (Satellite)
1935 Revere Beach Parkway – 1st Floor
Everett, MA 02149

Employment and Training Resources
201 Boston Post Road West
Suite 200
Marlborough, MA 01752

Employment and Training Resources
288 Walnut Street
Suite 130
Newtonville, MA 02460

Employment and Training Resources
275 Prospect Street
Norwood, MA 02062

The Career Place
100 Sylvan Road - Suite G-100
Woburn, MA 01801

Northeastern Massachusetts

North Shore Career Center of Salem
70 Washington Street – 1st Floor
Salem, MA 01970

ValleyWorks Career Center
80 Merrimack Street
Haverhill, MA 01830

ValleyWorks Career Center
Heritage Place
439 South Union Street, Building #2
Lawrence, MA 01843

Career Center of Lowell
18 John Street
Lowell, MA 01852

North Shore Career Center of Lynn
181 Union Street
Lynn, MA 01901

Southeastern Massachusetts

Attleboro Career Center
67 Mechanic Street
Attleboro, MA 02703

CareerWorks
34 School Street
Brockton, MA 02301

Fall River Career Center
446 North Main Street
Fall River, MA 02720

Career Opportunities
155 Katherine Lee Bates Road
Falmouth, MA 02540

Career Opportunities
75 Perseverence Way
Hyannis, MA 02601

Greater New Bedford Career Center
618 Acushnet Avenue
New Bedford, MA 02740

Plymouth Career Center
36 Cordage Park – Suite 200
Plymouth, MA 02360

Quincy Career Center
152 Parkingway
Quincy, MA 02169

Taunton Career Center
72 School St.
Taunton, MA 02780

Central Massachusetts

Workforce Central
5 Optical Drive – Suite 200
Southbridge, MA 01550

Career Center of North Central Massachusetts
25 Main Street
Gardner, MA 01440

Career Center of North Central Massachusetts
100 Erdman Way
Leominster, MA 01453

Workforce Central
14 Beach Street
Milford, MA 01757

Workforce Central
44 Front Street – 6th Floor
Worcester, MA 01608

Western Massachusetts

Franklin/Hampshire Career Center
One Arch Place
Greenfield, MA 01301

CareerPoint
850 High Street
Holyoke, MA 01040

Berkshire Works
37 Main Street
North Adams, MA 01247

Franklin/Hampshire Career Center
243 King St.
Northampton, MA 01060

Berkshire Works
160 North Street
Pittsfield, MA 01201

FutureWorks
One Federal Street Bldg. 103-3
Springfield, MA 01105

Massachusetts One-Stop Career Centers

Greater Boston

JobNet
210 South Street – 1st Floor
Boston, MA 02111
617-338-0809, 800-5JOBNET
TTY #: 711 (statewide relay number)

Boston Career Link
1010 Harrison Avenue
Boston, MA 02119
617-536-1888
TTY#: 617-867-4687

The Work Place
29 Winter Street – 4th Floor
Boston, MA 02108
617-737-0093, 1-800-436-WORK (9675)
TTY #: 617-428-0390

Career Source
186 Alewife Brook Parkway
Cambridge, MA 02138
617-661-7867, 888-454-9675
TTY #: 800-439-2370

Everett Career Source (Satellite)
1935 Revere Beach Parkway – 1st Floor
Everett, MA 02149
617-887-1222

Employment and Training Resources
201 Boston Post Road West
Suite 200
Marlborough, MA 01752
508-786-0928

Employment and Training Resources
288 Walnut Street
Suite 130
Newtonville, MA 02460
617-928-0530

Employment and Training Resources
275 Prospect Street
Norwood, MA 02062
781-769-4120

The Career Place
100 Sylvan Road - Suite G-100
Woburn, MA 01801
781-932-5500, (888) 273-WORK

Northeastern Massachusetts

North Shore Career Center of Salem
70 Washington Street – 1st Floor
Salem, Massachusetts 01970
978-825-7200

North Shore Career Center of Gloucester
11-15 Parker Street
Gloucester, MA 01930
978-283-4772

ValleyWorks Career Center
80 Merrimack Street
Haverhill, MA 01830
978-722-7000

ValleyWorks Career Center
Heritage Place
439 South Union Street, Building #2
Lawrence, MA 01843
978-722-7000

Career Center of Lowell
18 John Street
Lowell, MA 01852
978-458-2503
TTY #: 978-805-4915

North Shore Career Center of Lynn
181 Union Street
Lynn, MA 01901
781-593-0585

Southeastern Massachusetts

Attleboro Career Center
67 Mechanic Street
Attleboro, MA 02703
508-222-1950

CareerWorks
34 School Street
Brockton, MA 02301
508-513-3400

Fall River Career Center
446 North Main Street
Fall River, MA 02720
508-730-5000

Career Opportunities Falmouth
155 Katherine Bates Road
Falmouth, MA 02540
508-458-4828

Career Opportunities Hyannis
75 Perseverence Way
Hyannis, MA 02601
508-771-JOBS (5627)
TTY #: 508-862-6195

Greater New Bedford Career Center
618 Acushnet Avenue
New Bedford, MA 02740
508-990-4000

Career Oportunities
77 Finlay Road
Orleans, MA 02653
508-240-1900
TTY #: 800-439-2370

Plymouth Career Center
36 Cordage Park – Suite 200
Plymouth, MA 02360
508-732-5300
TTY #: 508-732-5300

Quincy Career Center
152 Parkingway
Quincy, MA 02169
617-745-4000

Taunton Career Center
72 School St.
Taunton, MA 02780
508-977-1400

Wareham Career Center
48 Marion Road (Route 6)
Wareham, MA 02571
508-295-6170

Central Masachusetts

Workforce Central
5 Optical Drive – Suite 200
Southbridge, MA 01550
508-765-6430
TTY #: 508-943-4910

Career Center of North Central Massachusetts
25 Main Street
Gardner, MA 01440
978-632-5050
TTY #: 508-792-7571

Career Center of North Central Massachusetts
100 Erdman Way
Leominster, MA 01453
978-534-1481
TTY #: 978-534-1657

Workforce Central
14 Beach Street
Milford, MA 01757
508-478-4300
TTY #: 508-478-1887

Workforce Central
44 Front Street – 6th Floor
Worcester, MA 01608
508-799-1600

Western Massachusetts

Franklin/Hampshire Career Center
One Arch Place
Greenfield, MA 01301
413-774-4361, 413-774-3182
TTY #: 413-772-2174

CareerPoint
850 High Street
Holyoke, MA 01040
413-532-4900
TTY #: 413-535-3098

Berkshire Works
37 Main Street
North Adams, MA 01247
413-663-1111
TTY #: 413-663-5442

Franklin/Hampshire Career Center
243 King St.
Northampton, MA 01060
413-586-6506
TTY #:413-586-4921

Berkshire Works
160 North Street
Pittsfield, MA 01201
413-499-2220
TTY #: 413-499-7036

FutureWorks
One Federal Street Bldg. 103-3
Springfield, MA 01105
413-858-2800
TTY #: 413-858-2800

10. Table of Contribution Rates and Schedules

Experience Rate Table Unemployment Compensation Fund Reserve Percentage

Each employer's individual rate falls under one of the following schedules, depending on your individual account's reserve percentage.

Employer Account Reserve Percentages	A	B	C	D	E	F	G
Negative Percentage							
15 or more	7.80	8.74	9.78	10.96	12.27	13.75	15.40
13.0 but less than 15.0	7.40	8.29	9.28	10.40	11.64	13.04	14.61
11.0 but less than 13.0	7.00	7.84	8.78	9.83	11.01	12.34	13.82
9.0 but less than 11.0	6.60	7.39	8.28	9.27	10.39	11.63	13.03
7.0 but less than 9.0	6.20	9.94	7.78	8.71	9.76	10.93	12.24
5.0 but less than 7.0	5.80	6.50	7.28	8.15	9.13	10.22	11.45
3.0 but less than 5.0	5.40	6.05	6.77	7.59	8.50	9.52	10.66
1.0 but less than 3.0	5.00	5.60	6.27	7.02	7.87	8.81	9.87
0.0 but less than 1.0	4.60	5.15	5.77	6.46	7.24	8.11	9.08
Positive Percentage							
0.0 but less than 0.5	3.90	4.37	4.89	5.48	6.14	6.87	7.70
0.5 but less than 1.0	3.80	4.26	4.77	5.34	5.98	6.70	7.50
1.0 but less than 1.5	3.70	4.14	4.64	5.20	5.82	6.52	7.30
1.5 but less than 2.0	3.60	4.03	4.52	5.06	5.66	6.34	7.11
2.0 but less than 2.5	3.50	3.92	4.39	4.92	5.51	6.17	6.91
2.5 but less than 3.0	3.40	3.81	4.26	4.78	5.35	5.99	6.71
3.0 but less than 3.5	3.30	3.70	4.14	4.64	5.19	5.82	6.51
3.5 but less than 4.0	3.20	3.58	4.01	4.50	5.04	5.64	6.32
4.0 but less than 4.5	3.10	3.47	3.89	4.36	4.88	5.46	6.12
4.5 but less than 5.0	3.00	3.36	3.76	4.21	4.72	5.29	5.92
5.0 but less than 5.5	2.90	3.25	3.64	4.07	4.56	5.11	5.72
5.5 but less than 6.0	2.80	3.14	3.51	3.93	4.41	4.93	5.53
6.0 but less than 6.5	2.70	3.02	3.39	3.79	4.25	4.76	5.33
6.5 but less than 7.0	2.60	2.91	3.26	3.65	4.09	4.58	5.13
7.0 but less than 7.5	2.50	2.80	3.14	3.51	3.93	4.41	4.93
7.5 but less than 8.0	2.40	2.69	3.01	3.37	3.78	4.23	4.74
8.0 but less than 8.5	2.30	2.58	2.89	3.23	3.62	4.05	4.54
8.5 but less than 9.0	2.20	2.46	2.76	3.09	3.46	3.88	4.34
9.0 but less than 9.5	2.10	2.35	2.63	2.95	3.30	3.70	4.15
9.5 but less than 10.0	2.00	2.24	2.51	2.81	3.15	3.52	3.95
10.0 but less than 10.5	1.90	2.13	2.38	2.67	2.99	3.35	3.75
10.5 but less than 11.0	1.80	2.02	2.26	2.53	2.83	3.17	3.55
11.0 but less than 11.5	1.70	1.90	2.13	2.39	2.67	3.0	3.36
11.5 but less than 12.0	1.60	1.79	2.01	2.25	2.52	2.82	3.16
12.0 but less than 12.5	1.50	1.68	1.88	2.11	2.36	2.64	2.96
12.5 but less than 13.0	1.40	1.57	1.76	1.97	2.20	2.47	2.76
13.0 but less than 13.5	1.30	1.46	1.63	1.83	2.05	2.29	2.57
13.5 but less than 14.0	1.20	1.34	1.51	1.69	1.89	2.11	2.37
14.0 but less than 15.0	1.00	1.12	1.25	1.40	1.57	1.76	1.97
15.0 but less than 16.0	0.90	1.01	1.13	1.26	1.42	1.59	1.78
16.00 or more	0.80	0.90	1.00	1.12	1.26	1.41	1.58