

## 2010 Best Practices Tip

## 10 Ways to Minimize Your Unemployment Costs

Since reimbursing clients pay dollar for dollar for their unemployment costs, there is the potential for employers to directly impact their bottom line with a few strategic approaches to reducing unemployment costs. While perhaps these practices may be “old news,” they bear repeating since controlling all costs is critical, now more than ever, in the current economic climate.



### 1. Document, document, document

Effective documentation is crucial. Many times employers may have the “burden of proof” with the state agency. Documentation may help in matters outside UI such as EEOC matters and employment litigation. Documentation in discharges and voluntary quit situations is different. Reference TALX’s separation checklists illustrating best practices. Your CRM can provide additional copies. In the majority of cases involving discharge, documentation (meeting the “burden of proof”) is the only means an employer may have to back up the decision to terminate. Retain documents for at least 18 months. Provide policies to employees and obtain a signed acknowledgement of policies or any changes to policies.

### 2. Compose effective written warnings

Warnings are an aspect of progressive discipline that effectively ensures an employee understands what is expected of them. State unemployment agencies look for warnings, in most instances, to determine if the claimant was discharged for misconduct and effective, clear, non judgmental warnings help the employer meet the “burden of proof” in discharges. Elements of a good written warning include the violation, expected action to improve, the consequences if the standard is not met, employee’s action plan and comments, signature of employee, signature of witness, signature of issuer.

### 3. Manage your human resources wisely

Practices include performing detailed reference checks. Consistently use progressive discipline. Enforce rules and policies uniformly. Follow an employee’s progress from the moment they are hired. In addition, thorough talent assessment before hire will alleviate problems down the road. The TALX talent assessment division, **pan**, which delivers employee acquisition, evaluation and development solutions for corporate and government clients worldwide is a content aggregator with hundreds of assessments from more than 50 of the industry’s top test publishers. **Pan’s** clients benefit with effective, high quality assessments, services and technology that allow them to identify the best fit for the position and company. This helps to reduce costs in the hiring and recruiting process as well as decrease turnover and its related costs. Please see <http://www.panpowered.com/>

### 4. Utilize your TALX partnership to full advantage

TALX is your partner and works with you at every stage of the unemployment process—claims, appeals, hearings, charge audits, best practices, unemployment reports and client education. Don’t hesitate to ask any questions of your service team or Client Relationship Manager. Insight web reporting provides the tools to stay abreast of unemployment activity and costs. TALX.com (<http://www.talx.com>) features ongoing blogs, e-seminars and industry highlights. Your contract may offer guidance, preparation and participation in hearings from contracted hearing representatives who will assist you in winning the appeal. Providing timely information and sufficient information to TALX, especially at the initial level of the claim, can help you avoid penalties, loss of appeal rights and being charged for benefits collected.

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### **5. Track unemployment costs and budget appropriately**

Use TALX reports and services to track claims and claim costs and to budget appropriately for unemployment expenses. Be familiar with the base period and benefit year in your state so adequate money can be set aside to cover all employees eligible for unemployment benefits.

### **6. Know the difference between voluntary resignations, discharges and lack of work claims**

A voluntary resignation, especially for non-compelling reasons, is usually disqualifying but there are significant exceptions. States may allow benefits for a quit with "good cause." In a voluntary quit, the "burden of proof" rests with the former employee. A discharge for misconduct is defined as willful misconduct connected with the work which resulted in a tendency for damage to the employer's interests. A discharge in which the employer initiates the termination puts the "burden of proof" on the employer. In discharges avoid the use of "unsatisfactory performance" in cases where the employee is able to perform the job and is negligent of performing their duties. In discharges due to misconduct be prepared to provide the "final incident" which led to the discharge. Lack of work claims provide benefits to individuals who are separated from work due to no fault of their own and are the reason unemployment insurance was created. A claimant must be able to work, available for work and actively seeking work.

### **7. Be prepared for hearings**

Hearings require first-hand testimony as to the facts and events under consideration. Hearsay evidence is generally not persuasive and may not be considered at all. Depending on your contracted services, provide all information to your TALX hearing representative when they contact the individuals at your organization to prepare for a hearing. Have all documents readily available during the hearing.

### **8. Appeal when warranted**

An appeal is your request to the state to assign a hearing officer to review the facts of a particular case because you believe the eligibility rules have not been properly applied. Appeal if you disagree with a decision allowing the claimant benefits. You must be prepared to present facts and evidence.

### **9. Weigh the consequences of partial employment, layoffs and independent contractors**

Know when employees are eligible for partial weeks of unemployment. Your CRM can provide you with a listing of state-specific guidance. In the case of layoffs, helping severed employees find jobs benefits the employer and employee. Independent contractors may file for unemployment and the employer needs to be able to prove he or she is not an employee of your company.

### **10. Consider re-employment strategies**

Helping transitioning employees find another job rapidly after a staff reduction, position elimination, or other involuntary, non-misconduct separation can help control the duration of non-protestable claims – the claims that normally result in the longest duration and highest total benefit payout. TALX Reemployment Services can help by providing faster reemployment through one-on-one job coaching, e-learning, and other key outplacement elements. Visit

<http://www.talx.com/Solutions/Compliance/UnemploymentTax/> for more information.

For more information on any of these best practices contact your TALX Client Relationship Manager.