

COBRA SUBSIDY EXTENSION ANNOUNCED

On December 19, 2009, the U.S. Senate voted to extend the COBRA subsidy provision of The American Recovery and Reinvestment ACT (ARRA).

What does this extension mean to your former employees?

- Cobra subsidy for “involuntarily terminated,” employees has increased from 9 months to **15 months**.
- The subsidy eligibility would have ended December 31, 2009; it has now been extended to **February 28, 2010**.
- Enrollees whose subsidy had expired 11/30/09 now will receive **60 days** of retroactive subsidy credits.
- RMI will be notifying affected parties and updating our COBRA notifications for newly qualified employees.

UNEMPLOYMENT INSURANCE EXTENDED

In the same Department of Defense bill that included the COBRA subsidy extension, Federal unemployment insurance benefits were extended and expanded.

Nationwide, we anticipate state unemployment rates to increase due to the rise in claims. It is recommended you pay close attention to how you classify your employee terminations in order to minimize the effect of unemployment on your company costs.

Please contact your HR Representative if you need assistance understanding your state unemployment system, need guidance with phone or in-person unemployment hearings, or require assistance with employee terminations. **Our Experts are here to guide you.**



FEDERAL CHANGES LINING UP

WHAT DRIVES UNEMPLOYMENT RATES UP?

The number one reason unemployment rates are skyrocketing has to do with the state of the current economy and the mass layoffs that have happened across the country. **This is affecting large and small businesses alike.**

The U.S. Department of Labor is estimating that by the end of 2010, 40 states will have exhausted the funding that they use for their unemployment pools. The Federal Government has been loaning money to multiple states in order to fill the gap between the unemployment claims being paid out and the money that the state governments are collecting by taxing employers.

Many states, including MA, have increased their maximum unemployment tax rate in recent years to help compensate for the shortfall. We anticipate this trend will continue until the economy rebounds.

YOUR ROLE IN THE UNEMPLOYMENT PROCESS

One of the best ways to ensure your unemployment claims are handled properly is to fill out our Status Change Form **as soon as you are aware of an employee termination** (voluntary or involuntary). Late notification to us may result in claims being processed against your account by employees that should not be eligible to collect.

Our forms mirror the reasons listed on the paperwork we fill out for your state unemployment agency on your behalf.

Layoff	Poor Performance With Misconduct	Leave of Absence	On Disability
Voluntary Quit	Tardy / Absenteeism	Retirement	Other
Poor Performance – Without Misconduct	Job Abandonment (No Call / No Show)	On Worker’s Comp	

Gray shading indicates reasons an employee would be able to collect unemployment insurance. If these reasons are selected, employees will collect unemployment against your company.

HOW TO APPEAL AN UNEMPLOYMENT CLAIM

Each time an employee files for unemployment, the following steps happen:

- Unemployment agency sends RMI a request for information (termination reason, wage verification, etc.).
- Unemployment sends determination to RMI as to whether or not an employee will be approved for unemployment insurance.
- RMI sends to you, our client, a copy of this determination.
- **If you want to appeal an unemployment determination, information on how to file an appeal is included with determination.**
- Telephone or in-person hearing may be scheduled to discuss reasons for appeal.

Always include direct supervisor of former employee in appeal or hearing process!

- Final determination is made and communicated.

