

Unemployment Compensation for Public School Employees 2010

Unemployment compensation refers to a number of federal, state and local programs designed to provide weekly wages for temporarily unemployed workers in order to reduce the financial insecurity associated with job loss. Federal programs provide extended relief to unemployed workers in states with high unemployment rates. In addition, additional benefits may be provided through the federal government in times of economic duress or disaster. State unemployment compensation programs are administered in each state as well. Finally, private businesses may provide severance pay and supplemental unemployment benefits (Rejda, 2005).

Ohio's unemployment compensation law (i.e., O.R.C. § 4141.01) provides that public school employees and boards of education are employees and employers for the purposes of unemployment compensation (Carey, 2009). Teachers and nonteaching staff may be eligible for unemployment compensation if they file a claim for benefits and meet the qualification requirements of the Ohio Department of Job and Family Services (ODJFS); the dependents of an unemployed public school employee may be eligible as well depending upon personal circumstances. For Ohio teachers and nonteaching staff, layoffs and reduction in force (RIF) actions typically occur at the conclusion of a school year.

For teachers and nonteaching staff, unemployment benefits are available in the case of a layoff, RIF or if a person quits for 'just cause'. Unemployment benefits are unavailable (1) between school years if the employee was employed at the end of the first school year and has a reasonable assurance of re-employment during the next school term; (2) during a paid sabbatical leave; (3) during a strike (unless a lockout occurs); (4) when the termination is for just cause; and (5) when the individual resigns without just cause.

Ohio law provides that employers have two main ways in which to fund unemployment compensation for workers: through the payment of an annual insurance premium or through self-insurance. For Ohio school districts, however, a third option is available. Under the provisions of O.R.C. § 4141.242, districts are allowed to make direct dollar-for-dollar contributions that are equal to the unemployment compensation actually paid out to employees. For these districts, layoffs and RIFs that are instituted in order to reduce personnel costs may be greater than anticipated due to the need for districts to provide dollar-for-dollar payments to unemployed staff.

To qualify for benefits, a newly unemployed public school employee must file an application immediately; this can be done at any time online (<http://unemployment.ohio.gov>) or by telephone (877/644-6562) during regular business hours. Newly unemployed persons have to file for benefits no later than 3 weeks following the ending date of the week being claimed. While claims for benefits are normally filed on a biweekly basis, newly unemployed persons may file weekly for the first 3 weeks after filing an initial claim. On April 1, 2009, Ohio law was amended. Individuals may now receive up to 20 weeks of state-extended benefits after their federal-extended benefits expire *for a total of up to 79*

*weeks overall.*¹ These benefits are known as "Ohio Extended Benefits, or Ohio EB". The first payable week of Ohio EB is the week beginning March 15, 2009.

On November 21, the federal Unemployment Compensation Extension Act of 2008 passed as an amendment to the Emergency Extended Unemployment Compensation Act of 2008, extending Emergency Unemployment Compensation benefits to 20 weeks. It also provided for an additional 13 weeks of federal compensation for individuals in states with high unemployment rates, including Ohio. Thus, up to 33 weeks of additional federal unemployment compensation may be available to those who are eligible. In addition, the American Recovery and Reinvestment Act ("stimulus package") made the following changes to unemployment compensation (UC) benefits:

1. Extended the last possible effective date, for establishing eligibility to the federally funded Emergency Unemployment Compensation (EUC) benefits, to the week of December 20-26, 2009. On December 19, 2009, Congress amended the EUC Act of 2008 again, extending the program through February 2010. Individuals with a remaining balance of EUC benefits after February may thus continue to collect benefits until July 2010.
2. Increased the weekly benefit payment by \$25. Eligible individuals automatically receive an adjustment (reflective of the increased benefit amount) retroactive to the week of February 22-28, 2009. This increase is known as Federal Additional Compensation (FAC). Individuals who established UC claims (had approved applications for regular UC benefits) before February 28, 2010, may receive FAC through the week of August 28, 2010. However, individuals who established new UC claims on or after February 28, 2010, will not be entitled to the FAC payment.²
3. Suspended the first \$2,400 paid in unemployment benefits from Federal income tax for tax year 2009 only. This adjustment will be made when the individual files his/her 2009 federal tax forms.

The weekly benefit amount (WBA) that a person is eligible for is calculated at 50 percent of one's average weekly wage during their base period. The base period is calculated by ODJFS as the first four of the last five completed calendar quarters before an individual's claim begins. The total benefit amount that is available to a person is calculated by multiplying the weekly base amount by the number of qualifying weeks in the person's base period (up to 26 weeks). In 2009, the maximum weekly benefit amount for a person with no dependents was \$372; for 1-2 dependents, \$452; and for 3 or more dependents, \$503.

More information about Ohio's unemployment compensation program is available at <http://unemployment.ohio.gov/>. Questions regarding this Research Bulletin should be directed to Gregg Gascon in the Research Division at gascong@ohea.org or telephone number (614) 227-3019.

¹ See http://jfs.ohio.gov/ocomm_root/Ext-Benefits-FAQ-2008REV.pdf. Downloaded February 12, 2010.

² See http://jfs.ohio.gov/ocomm_root/ChangestoUCFAQs.pdf. Downloaded February 12, 2010.

References

Carey, K. (2009). *Anderson's Ohio School Law Manual, 2010 edition*. San Francisco, CA; Matthew Bender & Company, Inc.

Ohio Department of Jobs and Family Services (2008). *Worker's guide to unemployment compensation*. Columbus, OH: Author. Downloaded on December 18, 2008 from <http://www.odjfs.state.oh.us/forms/interfind.asp?formnum=5521>.

Rejda, G.E. (2005). *Fundamentals of unemployment compensation programs*. In Rosenbloom, J.S. (Ed.), *The handbook of employee benefits: Design, funding and administration* (7th Ed.). New York, NY: McGraw-Hill.