



SMART UNEMPLOYMENT

The Authoritative Guide

2009 Edition
Smart Publishing

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INTRODUCTION

“This is the law of prosperity. When apparent adversity comes, be not cast down by it, but make the best of it, and always look forward for better things, for conditions more prosperous.”

-- Ralph Waldo Trine

Your former employer views you as a statistic, the unemployment office is impatient and impersonal, and finding the right resources is a struggle. The initial stages of unemployment can be overwhelming – but they don’t have to be. With *SmartUnemployment*, you now have the answers.

This book was written with the goal of helping the millions of Americans who face the challenges of unemployment each year. Whether you have been laid off, fired, or downsized, had your hours reduced, quit your job, or are thinking of leaving your job for any reason, this guide will help you navigate the complexity of unemployment, freeing you from countless hours of tedious research. Here are the highlights of some of the things you will learn in the following pages:

- **Departure:** How to deal with your former employer, what you can negotiate, which documents you must ask for, and how to maintain positive relationships with your former colleagues.
- **Unemployment:** The details of the application process, time-saving tricks, ways to make sure you qualify for benefits, and how to maximize your unemployment dollars.

Both sections include examples, money-maximizing tips, and a step-by-step checklist.

By investing in this knowledge, and absorbing the information provided, you will gain the resources to address your immediate financial needs with clarity. And, by following the steps provided, you will know *what* questions to ask, *where* to look for the answers, and *how* to make the smart decisions that will produce results.

DEPARTURE

“To be prepared is half the victory.”

-- Miguel de Cervantes

Whether you receive an email informing you that your department has been shut down, you are called into the human resources department and learn that there will be downsizing, or you walk into your manager’s office to give your resignation, the end result is that your current employer will soon be your former employer. How you handle the departure process can have a significant impact on your eligibility for unemployment benefits and health insurance, your ability to receive severance pay, and your professional relationships.

Here are the key items addressed in this section:

- Obtaining the appropriate paperwork from your employer
- Discussing the terms of your departure
- Seeking legal counsel
- Maintaining relationships with former colleagues

Paperwork

The documents you receive (or don't receive) from your employer at the time of your departure are the foundation for the unemployment process. Employers are not required to provide this information to you in writing at the time of your departure, so you may have to ask. Here are the three key items you should expect:

- **Separation Letter:** This is a written document outlining the terms of your departure. The terms of this letter are discussed in detail in the [Terms](#) portion of this section.
- **Health Insurance Information:** If your company had 20 or more employees and you were receiving health coverage from your employer, you will be able to continue on this same health insurance plan. This program is referred to as COBRA, and is discussed in detail along with various other healthcare alternatives in [Smart Health Benefits](#).
- **Retirement Plan Information:** If you were eligible for a 401(k), pension plan, or profit sharing arrangement, your employer will provide you written instructions concerning the future of these funds. You have the option of keeping this money in the plan, or in the case of a 401(k), opening a "Rollover IRA" account with a brokerage firm.

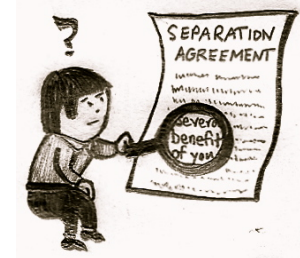
Most companies that have a human resources department will likely have a formalized procedure for providing you the information mentioned above. Smaller employers, however, may not have a system in place for getting you the appropriate materials. Regardless of the size of your employer, be sure to request these materials before you walk out the door.

Terms

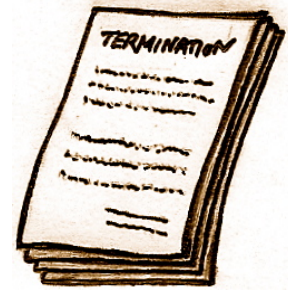
When meeting with your human resources representative, manager, or other supervisor, it is tempting to keep the conversation as short as possible. While this is the easiest course of action, it is important that you clearly understand the terms and conditions of your separation. If possible, *review your employee handbook prior to this meeting* so that you have a sense for company policy on these pertinent issues:

- **Severance Pay:** Severance pay is additional compensation that employers may offer at the time of termination, and is typically based on your length of employment, e.g. one week of pay for each year of service. Employers are not obligated to provide severance pay, but if severance pay is described as a common practice in your employee handbook, or you have a contract that stipulates that you will receive severance pay, you should expect to receive it. *Even if severance pay is not common at your company, ask for it.*
- **Accrued Vacation:** A handful of states require that employers compensate employees for accrued vacation days at the time of termination. In most states, however, accrued vacation is treated according to company policy. Note: Even if your company has a policy of not paying for accrued vacation time, but there is evidence that they have paid it out to other departing employees in the past, you may have a legal right to obtain payment for these days. *Know how many days of vacation you have remaining and ask about getting compensated for these days.*
- **Non-Compete:** You may have signed a non-compete agreement (or clause) when you began work, or at some point during your employment with the company, stating that you will not work for a competitor for a specified period of time following your departure. Most companies will waive this non-compete at the time of termination. *Request to have the non-compete waived.* Even if they refuse to get rid of the clause, don't worry. Courts generally view termination of employment as voiding the non-compete.

Smart Suggestion: Some employers will ask you to agree not to sue the company in order to qualify for severance pay. Carefully consider your situation before giving up these rights.

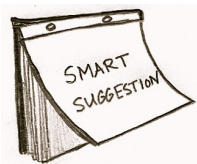


- **Non-Disparagement:** You may also be asked to sign an agreement (or clause) stating that you will not make any critical or derogatory comments about the company for a specified period of time. While it is good practice not to go around bad-mouthing your former employer, *it is in your best interests to ask for this statement to be “bilateral,” i.e. that you will agree to not disparage the company, and they will in turn agree not to disparage you.*



- **Reason for Departure:** While most companies will have this information recorded in their own files, it is not necessarily something they will include in your separation agreement. This language is **important**. *The reason for your unemployment is critical in determining your eligibility for unemployment benefits.* Insist that the company include some language regarding your reason for departure (e.g. “Due to a lack of business opportunities, ABC Corporation has decided to reduce headcount in the Accounting department by 20%”).

- **Return of Company Property:** You will be asked to return company property (e.g. ID card, uniform, etc.). As much as you may want to keep one of these items, realize that doing so could give the company a reason to freeze any payments that you have coming to you. Note: Some companies may be willing to give you old equipment (e.g. cell phone or laptop). It doesn’t hurt to ask.



Smart Suggestion: You may be handed a document and be asked to sign it on the spot. Never sign a separation agreement under pressure. You have the right to read it, think about it, and consult with legal counsel, if you so choose.

Seeking Legal Counsel

If the terms of your separation agreement are complicated, written in legal language, or appear unfair, you will want to consult an employment lawyer. More importantly, if you feel that you have been discriminated against in any way with respect to your dismissal, you will definitely want to seek legal counsel. The U.S. Equal Employment Opportunity Commission outlines discrimination in the following categories:

- Age Discrimination
- Disability Discrimination
- Equal Pay and Compensation Discrimination
- National Origin Discrimination
- Pregnancy Discrimination
- Race-Based Discrimination
- Religious Discrimination
- Retaliation
- Sex-Based Discrimination
- Sexual Harassment

Think critically about the circumstances that led to your departure. It will be difficult to prove discrimination if a company-wide workforce reduction occurred. If you were unfairly singled out in any way, however, and to the extent that you have experienced one or more of the above forms have discrimination, it will be in your best interest to consult a lawyer who focuses on *employment law*. A discrimination lawsuit

has the potential for significant financial rewards, but also carries the potential burden of negative publicity. To find an employment attorney in your area, you can use word-of-mouth referrals, consult the phone book, or check out a few online referral services, such as

www.attorneys.com.

Smart Suggestion: Some employment attorneys will represent you on a “contingency basis” meaning that you will not have to pay legal fees up front. Instead, the lawyer receives a percentage of the amount you receive, assuming that you win the case. A contingency fee arrangement is often preferable if you don’t have the funds (or don’t want) to pay attorney fees upfront.

Preserving Relationships

While working for an organization, there are three broad categories of compensation that you receive:

- Monetary compensation for duties performed
- Experience gained in a particular field
- Relationships with colleagues at your company, and other people in your industry, whether suppliers, customers, or even competitors

The first two categories of compensation are the ones people tend to focus on most (i.e. “What will I be paid?” and “What will I learn from this job?”). While your salary and responsibilities are clearly important, there is a tendency to overlook the importance of the third category of compensation: your relationships. **The people with whom you have interacted during the course of your job are important.** Many people make the mistake of leaving a job and never talking to these folks again. Regardless of your opinion of your former colleagues, maintaining a positive relationship with them has the potential to benefit you greatly in the future. Whether you have developed lifelong friendships with your former colleagues or they were merely tolerable acquaintances, your actions at the time of departure will have a lasting impression. What’s more, these folks may be asked about you, even if you don’t list them as a reference. The best course of action is to maintain a friendly demeanor, provide them a way to get in touch with you, and say goodbye with a smile.



Smart Suggestion: To ensure that you are able to maintain communication with your former colleagues, make sure that you have saved their contact information prior to walking out the door. If you are using Microsoft Outlook, the easiest way to do this is by “exporting” your contact list to a “.pst” file.

Assistance Programs

In the case of mass layoffs, large employers often set up programs to assist displaced employees in their job search. For example, a major financial services firm that recently laid off hundreds of employees provided each of the laid off employees access to office space for three months. At this temporary location, the job seekers had access to desks, phone lines, computer terminals, and printing services. In addition, the company supplied lists of corporate recruiters and career counselors for the former employees to reach out to. Such services are provided as an additional benefit at the time of departure, and are definitely worth exploring if given the option.

Smart Summary and Checklist

You may feel that you are the victim of an injustice. Or, maybe you are calm and happy. A



weight has been lifted from your shoulders, and new opportunities await.

Your emotional response surrounding the departure from your employer can greatly impact the way you handle leaving your job. While it is great to address all of the items discussed around the time you leave, **it is never too late to go back and ask for materials, inquire about the terms of your departure, or get in touch with former colleagues.** As you go about this process, please refer to the following checklist.

Departure Checklist



Paperwork

Obtain Separation Letter	
Ask for Health Insurance Information	
Get Retirement Plan Information	

Terms

Request Severance Pay	
Receive Accrued Vacation Pay	
Have Non-Compete Waived	
Ask that Non-Disparagement be “Bilateral”	
Return Company Property	
Determine Reason for Departure and Request Written Copy	

Seeking Legal Counsel

Combat Discrimination	
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Preserving Relationships

Say Goodbye With a Smile ☺	
Export Contact List	
Compose Farewell Email	

Assistance Programs

Inquire About Job Search Assistance from Former Employer	
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UNEMPLOYMENT BENEFITS

“Our greatest glory is not in never falling but in rising every time we fall.”

-- Confucius

Unemployment benefits are weekly payments from your state government specifically designed to help provide financial assistance when you are out of work and looking for a job.

Less than half of people who are unemployed in the United States actually collect unemployment benefits! Don't let this happen to you.

Before delving into the details of unemployment benefits, it is worth mentioning that you should in no way feel ashamed about applying for unemployment benefits. Unemployment benefits are primarily funded by employer payroll taxes. In other words, it was your hard work that helped contribute to the overall pool of unemployment dollars.

Over 5 million Americans receive benefits each week. The real shame would be if you did not take advantage of this opportunity to collect a significant amount of money while you're not working, especially given that this is money you are entitled to under the law.

Unemployment is different from welfare. Welfare refers to payments made by the state to parents in need of financial assistance. To qualify for welfare, you must have no more than \$2,000 in assets.

This section will walk through what you'll be required to know and do in order to get access to the benefits you deserve. Specifically, the following key items are discussed:

- Determining eligibility requirements
- How to streamline the application process
- What to do after you have been approved – ongoing requirements
- How to appeal if your application is turned down
- Plenty of useful tips and tricks that will help you save you time and money

Real Money

You may have heard that it's difficult to apply for unemployment benefits. Maybe you don't think you can qualify. Or, you may have great prospects for a new job in the works. Regardless of your situation, be aware that there is real money available here. The following table lists unemployment benefit levels by state. The amount you receive (your "benefit amount") will vary based on your income level while you were working (discussed in more detail later), but as you'll see, you have the **potential to receive over \$25,000 in some states!**

Unemployment Benefits by State

State	Average Weekly Benefit	Minimum Weekly Benefit	Maximum Weekly Benefit	Maximum			Monthly Benefit (After Tax)	
				Monthly Benefit	Initial Benefits (26 Weeks)	Extended Benefits (39 Weeks)		Current Maximum (59 weeks)
Alabama	\$202	\$45	\$235	\$1,011	\$6,110	\$9,165	\$13,865	\$859
Alaska	\$206	\$44	\$248	\$1,066	\$6,448	\$9,672	\$14,632	\$906
Arizona	\$222	\$60	\$240	\$1,032	\$6,240	\$9,360	\$14,160	\$877
Arkansas	\$272	\$77	\$431	\$1,853	\$11,206	\$16,809	\$25,429	\$1,575
California	\$309	\$40	\$450	\$1,935	\$11,700	\$17,550	\$26,550	\$1,645
Colorado	\$348	\$25	\$431	\$1,853	\$11,206	\$16,809	\$25,429	\$1,575
Connecticut	\$337	\$15	\$501	\$2,154	\$13,026	\$19,539	\$29,559	\$1,831
Delaware	\$257	\$20	\$330	\$1,419	\$8,580	\$12,870	\$19,470	\$1,206
District of Columbia	\$291	\$50	\$359	\$1,544	\$9,334	\$14,001	\$21,181	\$1,312
Florida	\$239	\$32	\$275	\$1,183	\$7,150	\$10,725	\$16,225	\$1,005
Georgia	\$278	\$44	\$330	\$1,419	\$8,580	\$12,870	\$19,470	\$1,206
Hawaii	\$418	\$5	\$523	\$2,249	\$13,598	\$20,397	\$30,857	\$1,912
Idaho	\$275	\$58	\$364	\$1,565	\$9,464	\$14,196	\$21,476	\$1,330
Illinois	\$317	\$51	\$369	\$1,587	\$9,594	\$14,391	\$21,771	\$1,349
Indiana	\$306	\$50	\$390	\$1,677	\$10,140	\$15,210	\$23,010	\$1,425
Iowa	\$311	\$53	\$361	\$1,552	\$9,386	\$14,079	\$21,299	\$1,319
Kansas	\$328	\$105	\$423	\$1,819	\$10,998	\$16,497	\$24,957	\$1,546
Kentucky	\$305	\$39	\$415	\$1,785	\$10,790	\$16,185	\$24,485	\$1,517
Louisiana	\$209	\$10	\$284	\$1,221	\$7,384	\$11,076	\$16,756	\$1,038
Maine	\$271	\$60	\$344	\$1,479	\$8,944	\$13,416	\$20,296	\$1,257
Maryland	\$309	\$25	\$380	\$1,634	\$9,880	\$14,820	\$22,420	\$1,389
Massachusetts	\$403	\$32	\$600	\$2,580	\$15,600	\$23,400	\$35,400	\$2,193
Michigan	\$302	\$113	\$362	\$1,557	\$9,412	\$14,118	\$21,358	\$1,323
Minnesota	\$354	\$38	\$351	\$1,509	\$9,126	\$13,689	\$20,709	\$1,283
Mississippi	\$193	\$30	\$230	\$989	\$5,980	\$8,970	\$13,570	\$841
Missouri	\$255	\$35	\$320	\$1,376	\$8,320	\$12,480	\$18,880	\$1,170
Montana	\$253	\$120	\$407	\$1,750	\$10,582	\$15,873	\$24,013	\$1,488
Nebraska	\$248	\$30	\$298	\$1,281	\$7,748	\$11,622	\$17,582	\$1,089
Nevada	\$300	\$16	\$393	\$1,690	\$10,218	\$15,327	\$23,187	\$1,436
New Hampshire	\$273	\$32	\$427	\$1,836	\$11,102	\$16,653	\$25,193	\$1,561
New Jersey	\$388	\$85	\$560	\$2,408	\$14,560	\$21,840	\$33,040	\$2,047
New Mexico	\$285	\$66	\$355	\$1,527	\$9,230	\$13,845	\$20,945	\$1,298
New York	\$310	\$64	\$405	\$1,742	\$10,530	\$15,795	\$23,895	\$1,480
North Carolina	\$291	\$39	\$457	\$1,965	\$11,882	\$17,823	\$26,963	\$1,670
North Dakota	\$301	\$43	\$406	\$1,746	\$10,556	\$15,834	\$23,954	\$1,484
Ohio	\$315	\$103	\$365	\$1,570	\$9,490	\$14,235	\$21,535	\$1,334
Oklahoma	\$287	\$16	\$392	\$1,686	\$10,192	\$15,288	\$23,128	\$1,433
Oregon	\$314	\$113	\$482	\$2,073	\$12,532	\$18,798	\$28,438	\$1,762
Pennsylvania	\$347	\$35	\$539	\$2,318	\$14,014	\$21,021	\$31,801	\$1,970
Puerto Rico	\$111	\$7	\$133	\$572	\$3,458	\$5,187	\$7,847	\$486
Rhode Island	\$381	\$68	\$528	\$2,270	\$13,728	\$20,592	\$31,152	\$1,930
South Carolina	\$244	\$20	\$326	\$1,402	\$8,476	\$12,714	\$19,234	\$1,192
South Dakota	\$248	\$28	\$298	\$1,281	\$7,748	\$11,622	\$17,582	\$1,089
Tennessee	\$225	\$30	\$275	\$1,183	\$7,150	\$10,725	\$16,225	\$1,005
Texas	\$310	\$57	\$378	\$1,625	\$9,828	\$14,742	\$22,302	\$1,382
Utah	\$314	\$26	\$427	\$1,836	\$11,102	\$16,653	\$25,193	\$1,561
Vermont	\$302	\$64	\$425	\$1,828	\$11,050	\$16,575	\$25,075	\$1,553
Virgin Islands	\$324	\$54	\$378	\$1,625	\$9,828	\$14,742	\$22,302	\$1,382
Virginia	\$287	\$33	\$454	\$1,952	\$11,804	\$17,706	\$26,786	\$1,659
Washington	\$367	\$129	\$541	\$2,326	\$14,066	\$21,099	\$31,919	\$1,977
West Virginia	\$247	\$24	\$424	\$1,823	\$11,024	\$16,536	\$25,016	\$1,550
Wisconsin	\$276	\$53	\$355	\$1,527	\$9,230	\$13,845	\$20,945	\$1,298
Wyoming	\$311	\$30	\$415	\$1,785	\$10,790	\$16,185	\$24,485	\$1,517
United States	\$302	\$5	\$600	\$2,580	\$15,600	\$23,400	\$35,400	\$2,193

Source: U.S. Department of Labor. Data as of December 2008.

1 month = 4.3 weeks

Min and max weekly benefits reflect amounts for individuals. AK, CO, CT, IL, IA, ME, MD, MA, MI, NJ, NM, OH, PA, and RI offer allowances for dependants.

Extended benefits (i.e. an additional 13 weeks) are available when the unemployment rate is greater than 5%.

Maximum benefits will vary by state. After-tax calculations assume an average Federal tax rate of 15%. Rates will vary based on personal factors.

Eligibility

As mentioned at the beginning of this section, fewer than 50% of people who are unemployed are actually receiving unemployment benefits. Why might this be the case? They did not read *SmartUnemployment!* A number of factors contribute to the low level of people who actually collect:

- The circumstances behind unemployment
- The type of work that was performed prior to becoming unemployed
- The time period for receiving benefits expiring
- A sense of frustration concerning the application process

Most importantly, the reason that so few individuals who are unemployed do not collect benefits is because they *think* they are ineligible to do so. The following paragraphs clearly lay out the eligibility requirements and provide a roadmap to make the process as smooth as possible.

There are **four primary requirements** to be eligible to receive unemployment benefits:

1. Reason for unemployment: *You will need to be able to demonstrate that you are unemployed through no fault of your own.* If you have lost your job for nearly any purpose, you will most likely meet this requirement. Reasons for your layoff could include any of the following:

- Your department, division, group, office, region, etc. at your company was closed down
- Your position was eliminated because of redundancy
- Your company decided to move operations offshore
- Your boss didn't like you
- Your company went bankrupt

Situations where you have been laid off, but do not qualify for unemployment benefits arise if there was "willful misconduct" on your behalf. Strictly defined, willful misconduct refers to an intentional violation of your employer's policies. Please note, there is significant distinction between "willful misconduct" and "misconduct." Specifically, you must have *intentionally* violated a company policy in order for the misconduct to be deemed "willful." The following instances do NOT constitute willful misconduct (so you would still be eligible):

- Disagreements with your manager, boss, or other employees

- Inability to perform your job
- Accidents / mistakes
- Insufficient / inadequate completion of assigned tasks or designated responsibilities

What if you quit your job? Voluntarily leaving your employer generally disqualifies you from receiving unemployment benefits. That said, there are again exceptions. If you can prove that you have quit your job for “good cause” you will be eligible. What determines good cause will ultimately be determined by your state, but here are some examples:

- Job responsibilities – If your job responsibilities have changed materially and you are no longer doing work for which you are qualified
- Working hours - If your employer has significantly reduced your work hours (and reduced your pay)
- Health – If your working environment posed a threat to your health
- Moving – If your commute would be unreasonably long
- Harassment – Any form of harassment or discrimination (See the discussion on this topic in the [Departure](#) section)

Smart Suggestion: If you are still working, but you have had your work hours reduced, e.g. from full-time to part-time status, you will be eligible to apply for unemployment benefits.

Quitting for any of the reasons above still enables you to apply for unemployment benefits.

A little known fact: *Companies do not want their laid off employees to file for unemployment.* Why? The higher the number of ex-employees who file for unemployment benefits, the higher the payroll tax for the employer in the future. Many companies will conveniently forget to mention that you are eligible for unemployment benefits, and some will go as far as asking you to sign a waiver saying that you will not apply for these benefits. Some companies even hire outside consulting firms to help them minimize the number of unemployment claims. If your employer disputes your reason for unemployment, and your unemployment claim is disqualified, you may appeal the decision. The [appeals process](#) is discussed later in this section.



Time Saver: If possible, have your employer state the reason for your termination in writing at the time of your departure. This way you avoid potential eligibility conflicts when you go to apply for unemployment benefits.

2. Employment during your Base Period. Each state establishes a timeframe during which you must have been employed and earned a minimum level of income. The states refer to this time period as your *Base Period*. The majority of states define your Base Period using the following method:

- They look at the current month when you are filing for unemployment benefits (e.g. May 2009).
- They then determine which calendar quarter this month falls under (May 2009 falls in the 2nd calendar quarter of 2009).
- Next, they count back five calendar quarters (in the example, look back to the 1st calendar quarter of 2008).
- Finally, they take the first four of these calendar quarters, and define this as your Base Period (January 2008 – December 2008 in the example).

Use the tables below to simplify this counting process. Just find the month during which you are filing a claim in the highlighted figures on the right. If you are applying for unemployment benefits during April, May, or June of 2009, you are considered to be applying during the 2nd calendar quarter of 2009, and your Base Period will be January 2008 through December 2008 in all three cases.

Calculate Your BASE PERIOD for Unemployment Benefits									
Base Period					Filing Claim				
Q1 '08	Q2 '08	Q3 '08	Q4 '08	Q1 '09	Q2 '09				
January '08	April '08	July '08	October '08	January '09	April '09				
February '08	May '08	August '08	November '08	February '09	May '09				
March '08	June '08	September '08	December '08	March '09	June '09				
Base Period					Filing Claim				
Q2 '08	Q3 '08	Q4 '08	Q1 '09	Q2 '09	Q3 '09				
April '08	July '08	October '08	January '09	April '09	July '09				
May '08	August '08	November '08	February '09	May '09	August '09				
June '08	September '08	December '08	March '09	June '09	September '09				
Base Period					Filing Claim				
Q3 '08	Q4 '08	Q1 '09	Q2 '09	Q3 '09	Q4 '09				
July '08	October '08	January '09	April '09	July '09	October '09				
August '08	November '08	February '09	May '09	August '09	November '09				
September '08	December '08	March '09	June '09	September '09	December '09				
Base Period					Filing Claim				
Q4 '08	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10				
October '08	January '09	April '09	July '09	October '09	January '10				
November '08	February '09	May '09	August '09	November '09	February '10				
December '08	March '09	June '09	September '09	December '09	March '10				

You have now determined your Base Period. What if you weren't working the whole time during your Base Period? What if you were employed on a part-time basis during those months? What if you were employed at two different jobs during this time? Not to worry, you are not required to have been working on a full-time basis for one employer during your Base Period. Rather, your state will look to see that you have earned a minimum amount of wages during this time.

Part-Time Employees: If you were employed on a part-time basis, you are still allowed to apply for unemployment. Some states also permit you to receive unemployment if you are working at another part-time job. If you are able to find part-time work, your unemployment benefits will be reduced by the number of *days* you work, not the number of *hours*. Each day is equivalent to 25% of your benefits.

Smart Suggestion: If you are able to find part-time work, try to work as many hours as possible in the fewest number of days.

3. Income during your Base Period. After determining that you were working during your Base Period, the next step is to determine whether you meet the income requirement. Each state has its own formula for determining this amount. This calculation can be rather complex,

because most states base the income requirement on your projected benefit amount. As mentioned, calculations vary by state. Here are a few examples:

Example: If your salary was \$36,000 per year, your weekly benefit amount in Texas would be \$360 ($\$36,000 / 4 = \$9,000$ per quarter; $\$9,000 / 25 = \360). Here, your total wages during the base period (\$36,000) is 100 times your benefit amount ($\$36,000 / \360).

- **Texas:** You must have earned wages in at least two of the four calendar quarters during the Base Period AND your total Base Period wages must be at least 37 times your benefit amount. To determine the weekly benefit amount, the state of Texas divides your earnings during the highest

income quarter by 25. See the box to the left for more detail.

- **California:** You need to have received a minimum income of \$1,300 in the highest quarter during the Base Period. Alternatively, if you have earned at least \$900 during the highest quarter of the Base Period AND at least 1.25 times the highest quarter earnings over the entire Base Period (\$1,125), you will qualify.
- **New York:** You are required to have earned at least \$1,600 in wages in one quarter of the Base Period AND the total wages paid during the Base Period must be at least 1.5

times the wages in the highest quarter AND total earnings in the other quarters must total to at least \$4,455.

- **Florida:** 1. Wages must have been earned during at least two calendar quarters during the Base Period. 2. Total wages during the Base Period must be at least 1.5 times the wages earned during the highest quarter of the Base Period. 3. Total wages must have been at least \$3,400.

4. Ready, Willing, and Able. The final step for eligibility requires you to demonstrate that you are actively looking for work. Your state unemployment office will also require a weekly or bi-weekly update on your job hunt, which is discussed in further detail in the [ongoing requirements](#) section later in this section.

While it may seem daunting, remember that there are only four key eligibility requirements you will need to satisfy before applying for unemployment benefits. If you are unclear as to your eligibility, apply anyway. There are a number of [exceptions](#) addressed later in this section where you might be eligible if you don't meet the four requirements.

How to Apply for Unemployment Benefits

Once you have established your eligibility, there are three ways to apply: online, over the phone, or in person. According to the Urban Institute, over 80% of people applying for unemployment benefits in 2007 filed either online or over the telephone. The way you apply for unemployment benefits will not impact your eligibility or your benefit amount, but applying online can expedite the processing of your application.

Applying for unemployment is also referred to as “filing a claim.”

- **Online:** Applying online is the most efficient way to apply. Because you enter the information yourself, you can ensure that the information is accurate. In addition, the online systems are available around the clock, and there is no wait time. Most importantly, your application will most likely be processed fastest if you apply online. The only drawback to applying online is that you may have a question about filling out the form that is not answered on the state website. But besides that, *applying online is the fastest and easiest way to go*. Click on your state in the table below to apply online. (Note: You may also print the online forms and mail them into your state’s office.)
- **Over the Phone:** Many states have established a computerized telephone system for applying. To speak to a live person, you will need to call during normal business hours. The waiting period to speak to a representative can range from a few minutes to well over an hour. If you live in a state that is experiencing a high volume of calls, they may ask you to call back at a later date, which can further delay the processing of your application. Oftentimes, the person you talk to will refer you to the online application process. If you’d like to apply by phone, click on your state in the table below to find the phone number for your state’s unemployment department.
- **In person.** Historically people would wait, sometimes for hours, at the unemployment office in order to apply for benefits. Currently, it is challenging to find the unemployment office near you. You won’t find it in the phone book, and searching for the office location online will direct you to your state’s unemployment department. Because processing online forms is more cost effective for the government, states strongly encourage that you apply online. In recent years, a few states have even eliminated the option of applying in person! If you prefer to apply in person, call your state’s unemployment department (phone number available from link in table below).

Click on your state in the table below to find the online application and telephone number.

Unemployment Application Contact Information by State

Alabama	Louisiana	Oklahoma
Alaska	Maine	Oregon
Arkansas	Maryland	Pennsylvania
Arizona	Massachusetts	Puerto Rico
California	Michigan	Rhode Island
Colorado	Minnesota	South Carolina
Connecticut	Mississippi	South Dakota
Delaware	Missouri	Tennessee
District of Columbia	Montana	Texas
Florida	Nebraska	Utah
Georgia	Nevada	Vermont
Hawaii	New Hampshire	Virgin Island
Idaho	New Jersey	Virginia
Illinois	New Mexico	West Virginia
Indiana	New York	Washington
Iowa	North Carolina	Wisconsin
Kansas	North Dakota	Wyoming
Kentucky	Ohio	

Regardless of how you decide to apply, you will need the following pieces of information:

- **Social Security card**
- **Driver’s License / State Issued ID**
- **Address, phone number, and contact person at your former employer**
 - The contact person at your former employer will be a human resources representative if you were at a large company, or your manager if you were with a smaller organization that doesn’t have a human resources function
 - If you were employed at more than one company during the Base Period, bring information from each employer



Time Saver: Applying online is the most efficient way to claim your unemployment benefits.

- **Earnings history during Base Period:** W-2 and / or pay stubs that show your former employer's TIN (tax identification number), also referred to as the *employer ID number*.
 - Again, if you were employed at more than one company during the Base Period, bring the information from each employer
- **Any documentation received from your employer**, including information on the following:
 - Terms of your departure
 - Accrued vacation
 - Severance payments
 - Healthcare coverage

Reminder: If you were employed by a small company that had relatively few employees, they may not have provided you much in terms of paperwork. As discussed in the [Departure](#) section, it is very important to obtain the following information *in writing* from your former employer:

- Severance Pay
- Accrued Vacation
- Reason for Departure
- Healthcare Transition Coverage
- Retirement Plan Information

Remember, if your former employer hasn't provided you with these pieces of information, you can always go back and request them.

When to Apply for Unemployment Benefits

As soon as possible! It generally takes **two to four weeks** for your information to be processed and to get your first check in hand. An overload of applications may cause the processing of your application to be delayed. In addition, unemployment benefits are not retroactive, meaning that you will not be able to collect benefits for the time between your departure and when you apply for benefits. Therefore, file as quickly as possible.

Smart Suggestion: Be very careful when filling out your application form. ***Any mistake can delay the processing of your claim.*** In California, up to 30% of forms have some sort of error (as minor as using a check to fill in a circle or forgetting to answer a question)!

Here are the *key questions* on the application form that you will want to pay attention to and answer carefully:

- **Reason No Longer Working:** You will be given a few answers to choose from when responding to this question: “laid off / lack of work,” “discharged / fired,” “voluntary quit,” “strike or lockout,” or “still working part time.” If you answer this question with any option other than “laid off / lack of work” they will expect an explanation.
- **Explanation of Reason No Longer Working:** Here, you will be able to write a response as opposed to choosing from a list of answers. If you were discharged, be sure to specify that it was not because of willful misconduct. Similarly, if you quit, be sure to explain that you quit for good cause (if this indeed was the situation). There is no need to expand upon your explanations here; saying too much may jeopardize your claim.
- **Self-Employment:** If you answer “yes” to the question: “Are you currently self-employed or working as an independent contractor?” you will likely be deemed ineligible, as the unemployment office will classify you as not “available for work.”
- **Attending School or Training:** Similar to self-employment, if you answer “yes” regarding attending school or training, you will again be considered to be unavailable for work. Note: You can still be “available for work” and attend school or training during non-work hours (e.g. at night).

Ongoing Requirements

After you have completed your application, you can anticipate a response in the next two to four weeks. When approved, you can choose to have your benefits sent via check or delivered via direct deposit. (Some states have eliminated the option of receiving a check, and will instead

Reminder: You must update your unemployment claim every week to continue receiving benefits.

send you a debit card.) The unemployment insurance system is set up to provide financial assistance on a weekly basis. Because of this weekly perspective, you are asked to file weekly (or in some cases biweekly) claims. This is simply a set of questions that verify your ongoing eligibility,

namely that you continue to be out of work and are actively seeking employment. In addition, you will be asked to report job offers or refusal to work over this time period. This can get a bit tricky, as you are able to refuse certain types of work, but not others. Here are some examples of job offers that you may refuse and still retain your eligibility for unemployment:

- Jobs with an unreasonably long commute
- Jobs that pay significantly less than the going rate for that type of work
- Jobs for which you do not have training

You may NOT refuse the following types of jobs (and collect your unemployment benefits):

- Temporary jobs
- Jobs with wages in line with the type of work, but below your previous level of compensation
- Jobs similar to your previous job that you do not have interest in

As with the initial application process, you can expedite your ongoing claim process by using your state's online system.

Working while receiving benefits: You may have the opportunity to work part-time while you are receiving unemployment benefits. It's great to earn extra money while pursuing your job search. Recall, however, that you must report this income, and that the compensation you receive will be deducted from your unemployment benefits. Failing to report this information is considered criminal fraud and can land you in jail. It's not worth it.

Once you find a new job: Congratulations! But remember, finding a job means you're no longer unemployed. Report on your weekly claim form that you have found a job.

Extended Benefits

During periods of high unemployment (which is generally defined as an unemployment rate of greater than 5% in your state), you may apply for an extension of benefits. This extension, referred to as “extended benefits,” allows you to continue to receive unemployment benefits even after your initial 26 weeks of benefits have passed. Typically, extended benefits last for 13 weeks following your initial 26 weeks of benefits.

The recent federal government stimulus package allows for 33 weeks of extended benefits, meaning it is currently possible to receive benefits for 59 weeks.

Prior legislation passed in 2008 had extended the unemployment benefits for 20 weeks beyond the original 26 weeks, for a total of 46 weeks. If your state is currently allowing extended benefits, you will be notified when your initial benefits are set to expire. As part of this

Reminder: For updates on legislation visit www.smartunemployment.com.

notification, you will be given the option to apply for extended benefits. The application process for extended benefits is nearly identical to the initial application process, meaning that you will need to meet the same eligibility requirements, and you will need to fill out another set of forms. The additional step for extended benefits comes with determining a timeframe during which you are eligible for extended benefits. Your state will set guidelines for this time period. For example, as of March 2009 in California, you will be able to file an extended claim if your initial claim was filed after May 2006, and your benefits have expired, as long as you begin your second claim by December 2009. (These dates will change over time, so be sure to check with your state unemployment office.)

Other Issues to Consider

Eligibility

There are a few other items to consider in terms of your eligibility:

- **Alternative Base Period:** If you are unable to qualify for benefits using the Base Period as defined previously, 18 states offer what is referred to as an Alternative Base Period. Rather than looking at the first four out of five quarters, the state will give you the option to define the Base Period as the last four completed quarters. This definition is more flexible, and benefits workers who have recently entered or re-entered the workforce.

You cannot apply for unemployment benefits in two states simultaneously. This would constitute fraud, and the states have a cross-checking system based on your social security number to prevent such activity.
- **Location:** If you move to another state, you may still apply for unemployment insurance in the state where you were previously employed. If you worked in two states during the base period, contact the unemployment office in the state where you now live. You will still be eligible for benefits, and your work history will determine which state pays you benefits.
- **U.S. Trade Adjustment Assistance Program:** This is a program that is designed to help people who are out of work due to outsourcing (also known as offshoring) or increased imports from foreign countries that have had a negative impact on their industry. To qualify, a group of workers must prove that they were negatively impacted by foreign trade. Requirements include the following:
 - The company must produce a product (i.e. not a service).
 - A minimum portion of the workforce needs to have been laid off (or is threatened with layoffs) in the 12 months before the petition. According to the Department of Labor, the number of jobs at risk is 3 workers in groups of fewer than 50 employees, otherwise 5% of the workforce in groups of more than 50.
 - Proof that increased imports, outsourcing of production, or a customer sourcing from outside the United States has adversely affected business and contributed to the layoffs or impending layoffs

If certified, workers will receive 104 weeks of benefits, consisting of 26 weeks of unemployment, 26 weeks of a trade readjustment allowance and up to 52 weeks of

assistance while training for a different line of work. Visit www.smartunemployment.com to find out where you can learn more about this and other programs.

Benefit Amount

Here’s what you need to consider with regard to your benefit amount:

- **Dependant’s Allowance:** A few states will provide additional unemployment benefits if you have dependants.

States with Dependant’s Allowance		
Alaska	Maine	New Mexico
Colorado	Maryland	Ohio
Connecticut	Massachusetts	Pennsylvania
Illinois	Michigan	Rhode Island
Iowa	New Jersey	

- **Vacation Pay:** If you are receiving compensation for unused vacation days, the treatment of this compensation will vary by state. In California, vacation pay will not be deducted from your unemployment benefits.
- **Severance Payments:** Severance payments, e.g. one week of compensation for every year of service, will generally not disqualify you from receiving unemployment benefits, nor will they offset your benefit amount. Caution: Make sure your former employer designates these payments correctly, or else you could give up some of unemployment benefits! Severance payments are different from “wages in lieu of notice” which refer to compensation paid at time of departure that your employer is not obligated to pay, but rather pays you voluntarily. Treatment of wages in lieu of notice will not disqualify you from receiving unemployment, but may impact the timing of your benefits. The impact to your benefits will vary by state. In Texas, these wages will delay the beginning of your benefit period, while in California wages in lieu of notices will offset your unemployment benefits.
- **Taxes:** Unemployment benefits are taxable at the federal level. You may request to have your state withhold these taxes from your payments.

Employer Went Out of Business

If your employer goes out of business or files for bankruptcy, you are still able to collect unemployment benefits. This is because the benefits are funded by a pool controlled by the state, as opposed to coming directly from your employer.

Online Unemployment Grants

There are a number of websites that offer to help you obtain grants from the government. Many have enticing ads that guarantee you free money. While the government does offer a tremendous number of grants and other financial programs, you can search for these for free at www.grants.gov which is a government sponsored website.

You may also come across groups that will offer to fill out your unemployment application. While this may sound tempting, this help can be costly and in will no way speed up the processing of your filing! In addition, you'll be sharing your sensitive personal information with third parties. Be safe, and file yourself.

Stimulus Plan Update

Now more than ever there is even more incentive to apply and get your unemployment benefits. The American Recovery and Reinvestment Act was passed in February 2009. Included in this plan is an *additional* extension of the time period you can receive benefits. Prior to the passage of this plan, extended benefits lasted for up to 20 weeks (on top of the original 26 weeks). Through the end of 2009, these extra extended benefits will last for 33 weeks, for a **new total of 59 weeks!** In addition to the extension of benefits, the **federal government will be subsidizing states to increase the average weekly benefit amount (currently around \$300) by \$25.**



Appeals Process

If you are informed that your claim has been denied, you have the option to appeal this decision. The appeals process will take some time and preparation, but is definitely worthwhile, as you have nothing to lose, and potentially thousands of dollars in benefits to gain.



Reason for Denial

Your claim may be denied for a wide variety of reasons. The unemployment office may determine that you did not work for a sufficient amount of time or earn the required minimum level of income during the Base Period. Alternatively, they may decide that you left your job voluntarily, or were discharged for willful misconduct. In addition, they may conclude that you are not available for work or actively seeking employment. Any of these reasons could be used to characterize you as ineligible for unemployment benefits.

There is also the possibility that after your initial claim is approved and you start receiving benefits, your former employer could attempt to fight your claim. This occurs when your former employer disputes the reason for your departure. As mentioned earlier, the greater the number of employees who file for unemployment benefits, the higher the payroll tax for the employer going forward. Therefore, *your former employer has an incentive for you not to file for unemployment benefits!* A great way to prevent your former employer from disqualifying your claim is to discuss unemployment benefits with them at the time of your departure. If you have a written explanation stating your terms of departure, there is almost no way for your former employer to legitimately dispute your claim. Please review the [Departure](#) section for more information about dealing with your former employer.

Smart Suggestion: Don't let the unemployment office prevent you from getting the money you deserve. Something as simple as an innocent mistake on the initial claim form could give the unemployment officials reason to deny your claim. Again, be very careful when filling out these documents, whether online, over the phone, or on paper.

How to Appeal

If you request an appeal, or if your employer denies your claim and requests an appeal, you will be given a date to attend a hearing with a judge.

- **Attendance:** Showing up is important! If you have requested an appeal and do not show up on the given date, the judge will decide your case without hearing your side of the story. (If you have a legitimate reason for being unable to show up, e.g. health issues, let the court know as soon as possible and they will reschedule your appeal date.) If your employer is appealing your claim, it is again just as important to be present for the hearing. Who knows, you may luck out and have your former employer fail to attend. If your former employer is not present at the hearing, it's just like fighting a speeding ticket in traffic court where the police officer doesn't show up. You will have a significant advantage in explaining your story to the judge. And, the judge will make a decision, even though the other party did not show up for the hearing.
- **Representation:** Unemployment appeals hearings are structured so you are able to represent yourself. Therefore, you do not need to have a lawyer represent you at the hearing. If you are more comfortable doing so, however, you can have a lawyer, a friend, a family member, a union representative, or anyone else you like represent you at the hearing. This may be advisable if you are not comfortable speaking in front of a judge and defending yourself in front of your former employer. While legal representation may be helpful, recall that legal fees may be expensive, and most lawyers won't assist in these matters on a contingency basis.
- **Documentation:** When you go to your hearing, you'll want to take with you all of the information you received from your employer (e.g. separation agreement and other paperwork), as well as any documents received from the unemployment office. In addition, if there are documents that will help support the case for your eligibility, you should bring these as well. These could include performance reviews, employee handbooks, notes from doctors, photographs, etc. Be sure to make copies of all of these documents prior to the hearing, as you may need to give a copy to the judge.
- **Witnesses:** You can also call witnesses to testify on your behalf. As an example, a former co-worker might have witnessed an incident that your employer described as willful misconduct, whereas in reality it was just an accident. Note that just as documents can be subpoenaed, people can also be subpoenaed, in other words - legally obligated to show up in court. If a person you

If there are documents that you do not have access to (e.g. separation agreement and other paperwork), but believe will help support your case, you can ask for "subpoena." A subpoena is a form prepared by the judge legally requiring that someone produce these documents for the hearings.

subpoena is unable to be present in the courtroom, you may instead get written, sworn testimony from these people in a document referred to as an “affidavit.” Either way, be aware that former colleagues may be reluctant to testify on your behalf for fear of retaliation from the employer.

- **Demeanor:** A court room can be intimidating. Do your best to stay as calm as possible and present your case to the judge in a clear and concise manner.

The judge will likely be very busy, and will greatly appreciate it if you focus on the facts of your eligibility without introducing too much emotion in the process. Remember, your objective is to clearly demonstrate that you are eligible to receive benefits.



Decision

You will receive a decision from the judge in two to four weeks. If you have been receiving benefits and lose your appeal, you will be required to pay back this amount. To the extent that your claim is not decided in your favor, you may appeal your case a second time.

You have nothing to lose and much to gain with the appeal process.

Smart Summary and Checklist



Applying for unemployment benefits can be a challenge, but it doesn't have to be. If you know the right steps to take, you can complete the process quickly and painlessly. Use the checklist on the next page as reference, and keep the following points in mind:

- *Apply immediately* – The sooner you apply, the sooner you will begin receiving benefits.
- *Go online* – Avoid the wait time and apply online. This will ensure that your application is processed as quickly as possible.
- *Pay attention to details* – Be careful when filling out the application form. A minor mistake gives the officials reason to turn down your claim.
- *Be persistent* – Follow up if you don't receive notification about your benefit status within two weeks. If you are told you are not eligible, or your employer attempts to fight your claim, appeal.
- *Follow up* – Remember to file your claims every week (or two) or else your benefits will stop.

Unemployment Benefits Checklist



Eligibility

Establish Reason for Unemployment	
Ascertain Employment During Base Period	
Calculate Income During Base Period	
Determine if “Ready, Willing, and Able” to Work	

Application Process

Find State Contact Information Online	
Gather Required Items: Social Security Card, Driver’s License, W-2 / Pay Stubs, Employer Documentation	
Double-Check All Answers on the Form	

Ongoing Requirements

Continue Job Search	
Verify Eligibility on Weekly / Bi-Weekly Basis with Unemployment Office	
Report Earnings from Part-Time Work	

Extended Benefits

Check Availability of Extended Benefits After Initial Benefits Expire	
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Appeals Process (if applicable)

Complete Appeal Paperwork	
Attend Court Hearing	
Obtain Representation	
Subpoena Documents and Witnesses	
Stay Calm and Remain Patient	

CONCLUDING REMARKS

"An investment in knowledge always pays the best interest."

-- Benjamin Franklin

Thank you for taking the time to read Smart Unemployment. You have completed the important step of educating yourself in two areas of vital importance during your transition period. Your next opportunity comes in applying the knowledge you now possess. Take action by making informed decisions to achieve the results you desire.

To your health and your wealth!