

# COVID-19 (Coronavirus) and Unemployment Insurance Benefits for Employers

## Questions and Answers

**Question 1:** We may experience a shut-down or layoff in response to the coronavirus. What do we need to consider?

**Answer:** If your business is considering a major layoff or shut-down, Iowa Workforce Development's Dislocated Worker Program staff can help guide you through what will be a difficult process for your company and a difficult time for your employees. Our Rapid Response Team can help ensure compliance with federal regulations that apply to mass layoffs, and can provide a variety of services for your employees.

**Question 2:** We may need to reduce work hours; what options do we have?

**Answer:** Employers experiencing a slowdown in their businesses or services as a result of the COVID-19 impact on the economy may apply for the Voluntary Shared Work Program. This program allows employers to seek an alternative to layoffs — retaining their trained employees by reducing their hours and wages that can be partially offset with unemployment insurance benefits.

Visit <https://www.iowaworkforcedevelopment.gov/voluntary-shared-work-frequently-asked-questions> to learn more about its benefits for employers and employees, and how to apply.

**Question 3:** If an employee receives unemployment benefits as a result of a COVID-19 related business shutdown, will the employer's unemployment taxes increase?

**Answer:** All unemployment claims filed and paid as a result of COVID-19 will have the charges waived for employers. The money paid to employees filing for unemployment insurance benefits will currently be paid out of the UI Trust fund. The Trust Fund Balance is included in determining the tax rates for employers. This means that the tax rates in the future may be affected.

**Question 4:** If an employee receives unemployment benefits as a result of a COVID-19-related business shutdown, can the benefits be charged to the trust fund account?

**Answer:** Yes. All charges will be waived.

**Question 5:** Can an employer require a worker to stay home for the COVID-19's incubation period?

**Answer:** Yes. The employer can require an employee to stay at home for the 14 day isolation period if they have traveled abroad or had contact with someone who visited an affected region. The employer should attempt to provide paid leave if that is not already available to their employees. If that is not available, your employee will be eligible for unemployment insurance benefits.

**Question 6:** I am an employer that needs to temporarily suspend operations or reduce hours for my employees to prevent the spread of the COVID-19. Would I be responsible for benefit charges for my employees who file unemployment?

**Answer:** No. Iowa Workforce Development will take the appropriate actions to waive the charges for those employers who are forced to do layoffs or reduce work hours for employees due to the COVID-19.

**Question 7:** If I have 25 employees and need to do a temporary shutdown, do we need to file a WARN notice?

**Answer:** No. An employer only needs to file a WARN notice if they intend to shut down permanently. In a temporary layoff, a WARN notice would not apply.

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**Question 8:** Must we pay out PTO, sick leave, Vacation prior to our employees before using unemployment?

**Answer:** Yes, the use of all paid leave prior to filing for UI benefits is required. Unemployment insurance benefits are a means of last resort. IWD must also insure we can preserve the trust fund for as long as possible. Given employers are not being charged for UI charges currently, and it is unclear at this time when or how much federal reimbursement we will receive for these claims, the longer we can delay employees accessing the fund, the better. Individuals will receive more via paid leave than unemployment benefits (as it currently stands) so paid leave is better for employees. Employers may apply for the Voluntary Shared Work Program which permits employers to seek an alternative to layoffs — retaining their trained employees by reducing their hours and wages that can be partially offset with unemployment insurance benefits. Employees who remain employed, even part time, under this program, would not be required to exhaust paid time off before qualifying for unemployment benefits.

## What if I have additional questions?

Should you have additional questions, please contact Iowa Workforce Development at 1-888-848-7442. The Iowa Unemployment Insurance Employer Handbook can be found here: <https://www.iowaworkforcedevelopment.gov/employer-handbook>. Iowa Workforce Development will not be able to provide legal or human resources advice. Please contact your legal or human resources representatives for those questions.

## Where can I find additional information for businesses and employers on COVID-19?

U.S. Department of Labor: <https://www.dol.gov/coronavirus>

Iowa Department of Public Health: <https://idph.iowa.gov/Emerging-Health-Issues/Novel-Coronavirus>

Centers for Disease Control: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>

Centers for Disease Control Resources for Businesses and Employers:

<https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/businesses-employers.html>