

UNEMPLOYMENT INSURANCE INFORMATION AND RESOURCES

Kentucky and Indiana have experienced an unprecedented number of claims for unemployment insurance benefits due to layoffs related to COVID-19. Both state governments have recently taken measures to expand the scope of eligibility for unemployment insurance benefits and speed up the application process. Unemployment insurance is a “safety net” program for workers. It provides a minimum level of benefits for employees who lose their job through no fault of their own.

As part of the \$2 trillion economic stimulus package that passed the U.S. Senate on March 25 and is expected to become law very soon, these unemployment insurance benefits would be materially increased. Specifically, this new federal legislation would provide up to \$600 per week in additional federal benefits on top of whatever state benefits a worker would be entitled to receive. These enhanced benefits would be available for four months, and would be available to freelancers, independent contractors and furloughed employees, as well.

SKO is glad to provide the following summary information and online resources in response to widespread client requests for information about how unemployment insurance can be of assistance to their employees in recent circumstances. (Please also find at the end of this update new guidance from the U.S. Department of Labor regarding the Families First Coronavirus Response Act).

On March 16, 2020, Governor Andy Beshear issued an executive order (linked below) expanding the scope of eligibility for unemployment insurance benefits to cover employees who are quarantined or temporarily lose their jobs because of COVID-19.

Typically, when an employee files for unemployment insurance benefits they do not receive benefits for the first 7 days out of work. However, the recent executive order waived this waiting period, allowing employees to receive a full 14 days of benefits in their first payment.

Kentucky FAQ

Who is eligible for unemployment insurance benefits?

Generally, employees may receive unemployment insurance benefits if they are separated from work through no fault of their own. With respect to COVID-19, an employee may be eligible for unemployment insurance benefits if the employee was temporarily laid off or placed on a leave of absence because they are in quarantine mandated by a doctor because they have a confirmed case of COVID-19. An employee may also be eligible for unemployment insurance benefits if they were temporarily laid off, or had their hours materially reduced, because of a temporary shutdown due to COVID-19.

To be eligible under either of these circumstances, the employee must have reached a certain earnings level over time and must be available to return to work when there is work to be performed – for the foreseeable future, regular job search requirements have been suspended.

Who is not currently eligible for unemployment insurance benefits?

Claimants who have been separated from work for a disqualifying reason (including misconduct and a voluntary resignation), or who have not met the earnings threshold with any employer over the fifteen-month “base period” used by the state to determine eligibility and benefit levels, are not eligible for benefits. While typically independent contractors and self-employed individuals are not eligible for benefits, the Kentucky Office of Unemployment Insurance has invited both types of workers to file claims, citing special disaster provisions in state and federal law.

What is the process an employee must follow to obtain unemployment insurance benefits?

First, an individual that is laid off files an initial claim application to request unemployment insurance benefits. After a claimant files and requests payment, unemployment insurance staff will conduct an eligibility review and process the benefit request concurrently.

If unemployment insurance benefits are approved, the initial payment is authorized for 14 days of benefits. The claimant may then request benefits every two weeks for a (current) maximum of 26 weeks. The weekly benefit amount is based on the worker’s past wages and the maximum weekly benefit amount is \$552 – subject to the potential federal enhancement of up to \$600 per week (see above).

What should an employer do if it is planning a mass layoff?

If an employer has 100 or more employees and temporarily lays off 25 or more employees because of COVID-19, the employer should complete Kentucky’s “e-claims” process (otherwise, the affected employees should observe the process above).

The e-claims process allows the employer (instead of the employees) to directly provide information to the state about who is impacted by the layoff and eliminates the need for multiple individual claims. Normally, Kentucky requests that employers provide 4 weeks of notice prior to such a layoff, as well as a return to work date within 4 weeks; however, the 4-week-notice requirement and the return to work date within 4 weeks requirement have been waived in light of COVID-19. If an employer completes the e-claims process, the employee simply needs to go online and request benefits every two weeks.

Kentucky Resources

Kentucky Career Center – <https://kcc.ky.gov/Pages/default.aspx>

Team Kentucky Information for COVID-19 <https://govstatus.egov.com/kycovid19>

Governor Beshear's March 16, 2020 E.O. on Unemployment
https://governor.ky.gov/attachments/20200316_Executive-Order_2020-235.pdf