



Michael Preston
SECRETARY OF COMMERCE
Charisse Childers, Ph.D.
DIRECTOR,
DIVISION OF WORKFORCE SERVICES

Common Questions and Answers for Employers

Unemployment Insurance & the Impact of the COVID-19 Pandemic

Q. I need to temporarily close my business due to the COVID-19 Pandemic. Can my employees file for unemployment insurance benefits?

A. Yes! The unemployment insurance program is designed to assist workers who are laid off through no fault of their own, regardless of whether their separation from employment is the result of COVID-19 or some other factor impacting a business. Affected workers should be encouraged by employers to file their unemployment insurance claims with the Arkansas Division of Workforce Services.

Q. Will my affected workers be eligible for unemployment insurance benefits?

A. Generally, most individuals who are filing unemployment insurance claims arising from businesses impacted by COVID-19 will be eligible for benefits provided they meet the monetary and other eligibility requirements.

Q. What about self-employed individuals such as electricians, plumbers, etc.?

A. This is the first time that unemployment benefits are being made available for self-employed workers and independent contractors. Self-employed workers and independent contractors will be required to apply in our new PUA system. Qualified benefit payments will be retroactive to December 1, 2020 only. Click [here](#) to apply for Pandemic Unemployment Assistance (PUA) or visit www.ARunemployment.com.

Q. Are employees of religious organizations eligible for unemployment insurance benefits?

A. Generally, religious organizations are exempt from paying into the unemployment insurance program and, as a result, their employees are not covered under the unemployment insurance program. However, if those employees have wages from working for other employers that are covered, (if they had a part-time job, previous employer, etc.) then they may be eligible for unemployment insurance benefits.

Q. If an employee of a religious organization is not eligible for regular unemployment insurance benefits, is there any other program that they might be eligible for?

A. Employees performing services for religious organizations may apply for benefits through the Pandemic Unemployment Assistance (PUA) program. Qualified benefit payments will be retroactive to December 1, 2020 only. Click [here](#) to apply for Pandemic Unemployment Assistance or visit www.ARunemployment.com.

Q. One of my employees was not eligible for regular unemployment insurance benefits because they had a prior disqualification or did not have a long enough work history, is there any other program that they might be eligible for?

A. Employees who are not eligible for benefits through the regular unemployment insurance program because of a prior disqualification or an insufficient work history must apply for regular UI first, and if denied, may apply for benefits through the Pandemic Unemployment Assistance program. Qualified benefit payments will be retroactive to December 1, 2020 only. Click [here](#) to apply for Pandemic Unemployment Assistance (PUA) or visit www.ARunemployment.com.

Q. How much will my affected workers receive in regular unemployment insurance benefits?

A. Generally, an individual will receive a weekly benefit amount ranging from \$81 to \$451 each week. This will be determined by the average of all wages in a worker's base period. Once a claim is filed, monetary eligibility will be established through the claim filing process. Generally, this information will not be known until that time.

Q. My business is closing for a short period of time due to the COVID-19 Pandemic, will my workers be required to seek work while receiving benefits?

A. If a business has a temporary reduction in its workforce for a period of 10 weeks or less, its workers will not be required to seek new employment. The business must provide a letter to their workers with a specific return work date that is within 10 weeks of their last day of work. The letter must include the claimant's name, last four digits of the claimant's SSN, their last day of work, and the date to be recalled to work. Affected workers should provide this letter to DWS.

Q. My business has been closed for more than 10 weeks and I do not know when it will reopen, will my furloughed employees be required to make job contacts to be eligible for regular unemployment insurance, PEUC or PUA?

A. Yes. The work search is required for all furloughed claimants. To maintain eligibility, individuals who are not job attached must seek new employment.

Q. My business has reopened but my full-time staff is still working reduced hours, will my affected employees be required to make job contacts to be eligible for regular unemployment insurance, PEUC or PUA?

A. No. As long as your full-time employees continue to work at least eight (8) hours a week they are considered job attached and will not be required to seek new employment.

Q. My former employee refused to return to work when my business reopened. What do I need to do?

A. If you are an employer that has attempted to recall a laid off or furloughed employee to work and the worker has refused to return to work, this refusal must be reported to DWS. Employer can submit a report of refusal to work by mailing a letter and a list of employees, including the last four digits of their SSN, to their local office or by sending an email to UI.General.Questions@arkansas.gov. You may also go online and report a refusal to return to work through the online employer services portal.

Q. Are health care costs paid by employers on behalf of employees included as wages?

A. Employers can pay up to 100% of employee health insurance costs without reporting those payments as wages when filing their quarterly contribution and wage reports (209b) for state unemployment insurance tax. Employees filing weekly claims for unemployment insurance benefits do not report the value of health insurance costs paid by their employers as additional gross earnings (Arkansas Code Annotated §11-10-215(a)(2)(B)). Please note, employers should consult its own accounting and legal counselors to ensure its individual situation is covered by application of this law.

Q. Will employers impacted by the COVID-19 Pandemic be charged for unemployment insurance benefits paid to their workers?

A. It depends. DWS will continue to examine the reason for the separation from employment and, where appropriate, non-charge benefits within federal and state guidelines. In most cases, benefits paid as a result of a layoff, regardless of the reason, are charged to an employer's account.

Q. Will employers impacted by the COVID-19 Pandemic be charged for unemployment insurance benefits paid to workers through the Pandemic Emergency Unemployment Compensation (PEUC) or Pandemic Unemployment Assistance (PUA) programs?

A. No, the benefits available to affected workers through the PEUC and the PUA programs are fully financed by the federal government and will not impact an employer's account.

Q. What happens to a small business' account when it lays off workers due to COVID-19?

A. Generally, an employer's account is charged for all benefits paid to workers who were laid off. There is no provision to non-charge employer accounts for a layoff regardless of the reason; however, the Governor's Executive Order 20-54 excluded Q2 2020 charges and DWS is preparing legislation that will give the Director the discretion to non-charge COVID-19 related benefit charges.

Q. How can an employer check their reserve balance with ADWS?

A. This information can be found on the annual rate statement notices. This notice provides the employer's contribution rate, the taxable wage base, and their account reserve. Employers may also log into their DWS Tax21 account to view this information.

Q. Where can I find the Tax 21 system?

A. Tax 21 is available at www.workforce.arkansas.gov/Tax21/Home.aspx

Q. Is there federal or state legislation designed to provide economic assistance or reimbursement to tax rated employers for the unemployment insurance costs related to the COVID-19 Pandemic?

A. No, however, the Governor's Executive Order 20-54 excluded Q2 2020 charges and DWS is preparing legislation that will give the Director the discretion to non-charge COVID-19 related benefit charges.

Q. Is there federal or state legislation designed to provide economic assistance or reimbursement to reimbursable employers for the unemployment insurance costs related to the COVID-19 Pandemic?

A. The CARES Act provides funding to fund 50% of the charges incurred for the payment of unemployment insurance benefits to state and local government entities, certain non-profit organizations, and federally- recognized Indian tribes. In addition, the Governor's Executive Order 20-54 excluded the remaining Q2 2020 charges and DWS is preparing legislation that will give the Director the discretion to non-charge COVID-19 related benefit charges.

Q. I have questions regarding my unemployment insurance employer account, who do I contact?

A. Employers seeking information related to taxes may contact 501-682-3798 or email ADWS.Internet.Tax@arkansas.gov. Employers seeking information related to employer charges may contact 501-682-1181 or email ADWS.ChargeUnit.@arkansas.gov.