

NOTICE REGARDING IMPACT OF WORK IMMERSION ON EMPLOYER AND INDIVIDUALS' UNEMPLOYMENT INSURANCE

Employers should be advised that any individual receiving a paid, temporary work experience under the Work Immersion Program will likely be considered an employee of the business for the purposes of Unemployment Insurance, worker's compensation, and other related programs (if applicable). Employers should also be advised that any separation from an employee under the Work immersion program may impact Unemployment Insurance Experience rating.

Employers are encouraged to visit the Department of Labor and Training UI website to learn more: <http://www.dlt.ri.gov/ui/EmployerInfoUI.htm>

FAQ

Is an individual who has a paid, temporary work experience under the Work Immersion Program considered an employee of the business that provides the work experience?

Yes. An individual participating in a paid, temporary work experience under the Work Immersion Program will likely be considered an employee of the business for the purposes of Unemployment Insurance, Workers' Compensation, and other related programs (if applicable).

Employers who participate in the program must report wages for these individuals just as they do for the permanent employees in the company.

Would an individual's Unemployment Insurance benefits be affected by participating in a temporary work experience under the Work Immersion Program?

The individual's benefits could be affected. Benefits stop if an individual is working full time in the work experience. No individual working full time is entitled to receive benefits regardless if their earnings are less than their weekly benefit rate. However, individuals who are working part-time and earning less than their weekly benefit rate may be entitled to collect partial unemployment benefits.

After separation from employment, an individual may file a new claim for benefits or, if they have an existing claim that was stopped when they entered the work experience, they may reopen that existing claim. A claim is valid for 52 weeks once filed. If an individual is reopening an existing claim, the separating employer was set when the claim was filed. If the employment with the work experience employer started and ended after the effective date of the initial claim, when the individual reopens the existing claim, the work experience employer would not be charged for benefits paid on that claim as the charge was already set when the initial claim was filed. However, when that claim expires, should the individual file a subsequent new claim, there does exist a possibility that the work experience employer would be charged on that claim, if they meet the chargeability criteria. Questions for charging of a claim can be directed to the Department of Labor and Training employer line, 401-462-9137.

Would an employer's Unemployment Insurance rate be affected by providing a temporary work experience under the Work Immersion Program?

Yes, there is a potential for an employer's tax rate to be affected by providing a temporary work experience. But certain criteria must be met before that can occur and those criteria are detailed below. An employer must be a contributory employer to the Unemployment Trust Fund (paying an employer tax into the fund) for the possibility of any potential charges to affect their tax rate. Tax rates are set depending on how often the employer uses the fund to pay individual unemployment benefits. This is known as "experience rating". In contrast, reimbursable employers, for example some non-profits and governmental agencies, reimburse the trust fund dollar-for-dollar for every benefit dollar paid to the individual; therefore, they do not have a tax rate.

In Rhode Island, unemployment benefits are charged to the account of the "most recent separating employer".

28-43-1 (7) defines the most recent employer as: "...the last base-period employer from whom the individual was separated from employment and for whom the individual worked for at least four (4) weeks and in each of those four (4) weeks had earnings of at least twenty (2) times the minimum rate.

Therefore, all three criteria must be met to be the chargeable employer when a new claim is filed:

1. Most recent separating employer
2. There must be wages from that separating employer in the base period (amount of wages not specified – if there are any wages in the base period, they are a base period employer; therefore, the wages could be as low as \$1 in the base period), and
3. Individual must have worked at least 4 weeks for the employer and earned at least 20 times the current minimum wage in each of those four weeks.

The base period of an unemployment claim is defined as the first four completed calendar quarters out of the last five completed calendar quarters going back from the date of filing the claim. If the individual is not eligible using this base period, an alternate base period is used which is the last four completed quarters out of the last five completed quarters from the date of filing the claim. A base period never includes the quarter in which the claimant is filing the claim.

Base Period quarters are considered as: January through March, April through June, July through September, and October through December.