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What Employers Need to Know About Unemployment Insurance (COVID-19 FAQs)
DISCLAIMER

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What Employers Need to Know About Unemployment Insurance
(COVID-19 FAQs)

Under the current conditions of the COVID-19 pandemic, many businesses are facing the difficult situation of having to cut employees’ hours, lay them off, or maybe even close entirely. This article provides basic information on applying for unemployment insurance (“UI”) so you can help ease the financial burden on your employees.

1. What is UI?

Unemployment insurance is a program administered by the Unemployment Insurance Division of the State Department of Labor and Industrial Relations (“DLIR”). The purpose of this program is to provide temporary financial assistance to workers who are unemployed through no fault of their own and who meet the requirements of the Hawaii Employment Security Law. Unemployment insurance benefits are paid as a matter of legal entitlement and past employment, and not on the basis of need. Source: UI FAQs.

2. Who is eligible to receive UI benefits?

An employee who is out of work and not being paid, or whose work hours have been reduced, may be eligible to receive UI benefits. This includes employees who are out of work because their employer (a) closed, (b) temporarily closed, (c) cut the employee’s hours, or (d) directed the employee to remain home (DLIR Labor Benefits Fact Sheet).

Generally, to qualify for benefits, employees must meet both monetary qualifications (see DLIR FAQ #6) and eligibility requirements (see DLIR FAQ #10). However, according to Governor Ige’s March 20 press release, “the state will interpret Hawai’i’s unemployment laws to the broadest extent possible to cover those who are out of work because of COVID-19.” Additionally, the state will make “the adjustments necessary to loosen eligibility requirements for claimants and reduce or eliminate experience rate adjustments for employers because of employees who receive unemployment benefits because of COVID-19.”

Additionally, the temporary Pandemic Unemployment Assistance program created by the CARES Act covers individuals who are unemployed because of COVID-19-related reasons and

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1 (1) the individual has been diagnosed with COVID–19 or is experiencing symptoms of COVID–19 and seeking a medical diagnosis;
(2) a member of the individual's household has been diagnosed with COVID–19;
(3) the individual is providing care for a family member or a member of the individual’s household who has been diagnosed with COVID–19;
(4) a child or other person in the household for which the individual has primary caregiving responsibility is unable to attend school or another facility that is closed as a direct result of the COVID–19 public health emergency and such school or facility care is required for the individual to work;
(5) the individual is unable to reach the place of employment because of a quarantine imposed as a direct result of the COVID–19 public health emergency;
(footnote continued on next page)
who are seeking part-time employment, do not have sufficient work history, or otherwise would not qualify for UI benefits under Hawaii law (e.g., individuals who have exhausted their state UI benefits).

3. If I have to cut my employees’ hours, will they be able to receive UI benefits?

Employees whose hours are reduced may be eligible for partial unemployment benefits if they work less than their normal hours and earn less than their weekly benefit amount. (See DLIR FAQ #12).

4. How are unemployment benefits calculated?

An employee’s weekly benefit amount is calculated by dividing the wages in the highest quarter of the employee’s base period by 21 (i.e., benefit = 1/21 of the highest quarter of wages).

The standard base period is the first 4 of the last 5 completed calendar quarters immediately preceding the effective date of the claim. The effective date of the claim is the Sunday of the week in which the employee first applies. If the employee does not qualify using the standard base period, an alternate based period can be used. The alternate base period is the last 4 completed calendar quarters.

For example, for UI claims filed on/after April 1, 2020, the standard base period runs from January 1, 2019 to December 30, 2019. For UI claims filed in March of 2020, the standard base period runs from October 1, 2018 to September 30, 2019.

The DLIR’s UI Benefit Estimator can be used to determine an employee’s approximate potential benefit amount. An employee’s weekly benefit amount cannot be more than the maximum weekly benefit amount, which is currently $648. However, in addition to the employee’s weekly benefit amount, the CARES Act provides covered individuals with an additional $600 per week (referred to as Federal Pandemic Unemployment Compensation).

5. How do employees apply for UI?

To apply for UI, employees should visit https://huiclaims.hawaii.gov/#/. There is an instructional video for filing UI online. Because the number of people attempting to file

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(6) the individual is unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine due to concerns related to COVID–19;
(7) the individual was scheduled to commence employment and does not have a job or is unable to reach the job as a direct result of the COVID–19 public health emergency;
(8) the individual has become the breadwinner or major support for a household because the head of the household has died as a direct result of COVID–19;
(9) the individual has to quit his or her job as a direct result of COVID–19;
(10) the individual’s place of employment is closed as a direct result of the COVID–19 public health emergency; or
(11) the individual meets any additional criteria established by the Secretary.
claims is so high, the DLIR has warned that “response time may be delayed, you may receive error messages and or dropped connections.” According to Governor Ige’s Press Release, benefits will be paid to individuals who file their initial unemployment claims late.

The local unemployment offices remain closed to walk-in and in-person services, but individuals can still make appointments for over-the-phone applications or reset a password by calling the following phone numbers during normal business hours (7:45 a.m. to 4:30 p.m.):

  Password reset: (808) 762-5751
  Phone appointments: (808) 762-5752

6. Isn’t there a waiting period?

Typically, an individual must wait one week after filing a claim before being paid UI benefits. However, the DLIR is waiving the 7-day waiting period for UI claims related to COVID-19.

7. Can an employee receive TDI benefits and UI benefits at the same time?

No, an employee cannot receive temporary disability insurance benefits if they are receiving UI benefits.

8. How long will individuals receive benefits?

Typically, an individual would be paid for 26 weeks of total unemployment. However, the CARES Act extends that time for an additional 13 weeks for a total of 39 weeks.

Additionally, an individual would usually be required to search for three jobs weekly in order to continue to qualify for benefits. However, the DLIR announced on March 25 that it has suspended this requirement.

9. If I extend medical coverage to laid-off employees, will that affect their UI benefits?

No. Any healthcare premiums paid by an employer under the employer’s healthcare plan for its laid-off employees will not reduce the amount of UI benefits paid to those employees.

10. If I provide employees with paid time off, will it affect their UI benefits?

Yes. Gross earnings (before taxes) (including wages, commissions, bonuses, tips, gratuities, vacation pay, PTO, etc.) from all employment (including part-time, intermittent, or on-call) in excess of $150 will be deducted from an individual’s weekly benefit amount. Both the employee and employer are responsible for correctly reporting the employee’s gross earnings for each week.

Examples:

- An employee’s weekly benefit amount is $400, but the employee is paid $250 in vacation pay. The employee would only receive $300 in UI benefits for that week. $400 – ($250 – $150) = $300.
- An employee’s weekly benefit amount is $400, but the employee is paid $150 in vacation pay. The employee would receive $400 in UI benefits.
- An employee’s weekly benefit amount is $400, but the employee is paid $450 in vacation pay. The employee would not receive any UI benefits for that week because the earnings exceed the weekly benefit amount.

Individuals who receive sick pay, workers’ compensation, or TDI are not eligible to receive UI benefits under Hawaii law.

Notably, under the CARES Act, individuals who are “receiving paid sick leave or other paid leave benefits” are ineligible to receive assistance under the federal Pandemic Unemployment Assistance program. It appears that “other paid leave benefits” includes vacation pay, and thus, in the examples, above, if an employee receives any vacation pay in a given week, the employee may be entitled to partial unemployment under state law, but likely will not receive the federal UI benefits for that week.

**Additional Resources**

- [HEC’s UI Page](#)
- [COVID-19: Unemployment Q&As](#)
- [Families First & CARES Acts: Federal Unemployment Info](#)
- [COVID-19 Labor Benefits Fact Sheet](#)
- [UI Handbook for Employers](#)
- [UI Employer FAQs](#)
- [Handbook on Unemployment Benefits](#)