EMPLOYMENT AND ECONOMIC DEVELOPMENT

# Region V Spring Conference

April 1, 2026

Amber Stowe| Unemployment Insurance Manager

Aaron Tell|Outreach Specialist

# Disclaimer

This presentation is based on current UI legislation. Statements are intended for general information and **do not have the effect of law.**

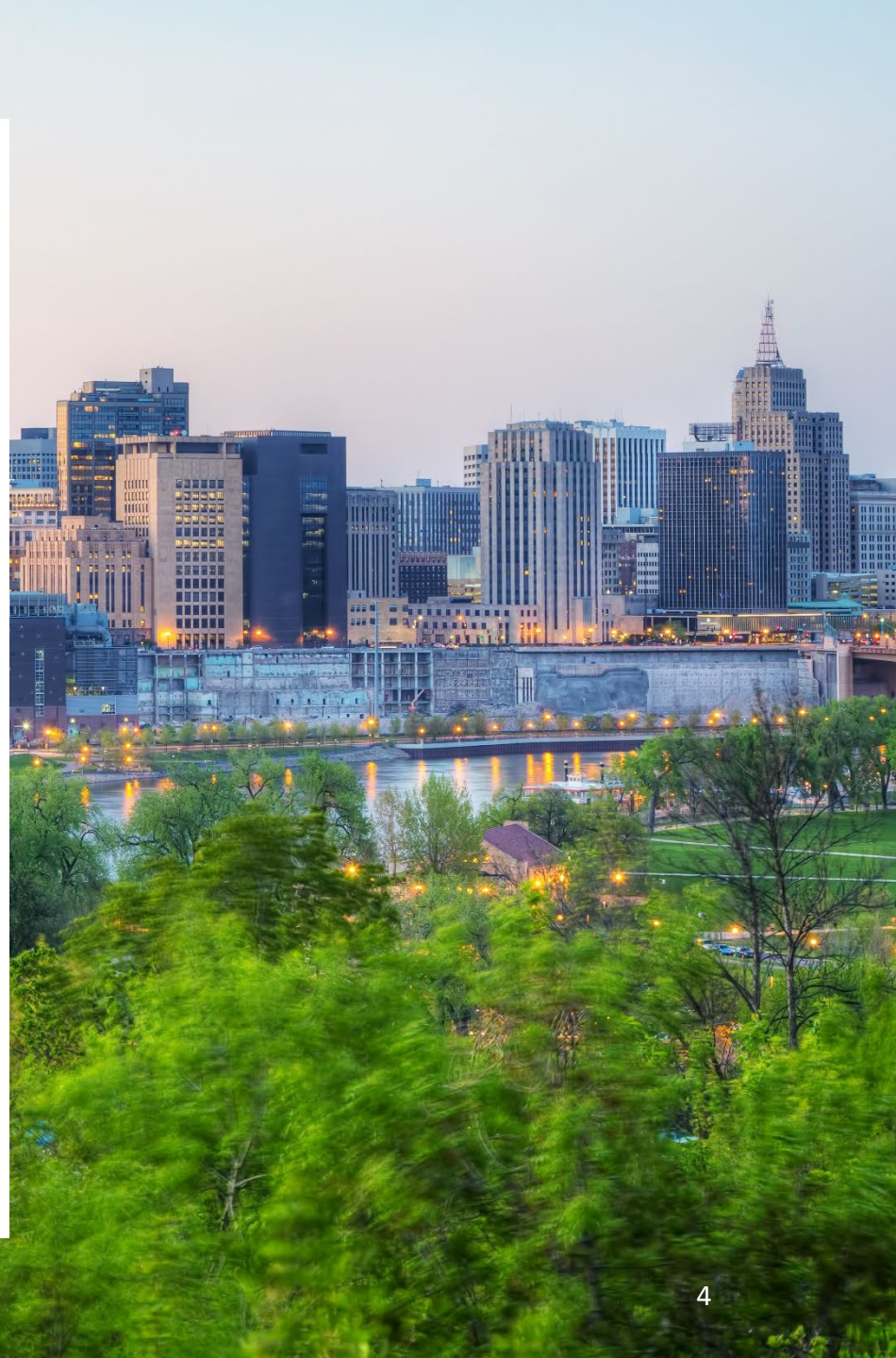
Minnesota Unemployment Insurance Law – MN Statutes 268.001 to 268.23 and Administrative Rules 3310 and 3315 can be accessed through our website at ui.mn.gov

# Agenda

- About Unemployment Insurance(UI)
- Reporting wages
- How UI is funded
- Reimbursing employers
- Between Terms provision
- Coaches and referees
- Managing your UI cost
- UI's connection to Paid Leave

# About Unemployment Insurance (UI)

- UI started in 1935 during the Great Depression
- It's a big program that's very cyclical and manages high volumes of information at a fast page
- UI primarily does two things:
  1. Pay benefits to eligible, unemployed workers
  2. Collect wage information and taxes from employers
- Both are important, but the program exists to pay unemployment benefits to eligible applicants
- What UI requirement do employers have?



# Reporting wages

## Covered Employment

- Employers are required to report wages for their **covered** employment every quarter
  - We call this data submission ‘wage detail’
  - We’re *not* going into the mechanics of how to report wages, but we can answer questions
- Most employment that is performed in the state is covered by UI (but not all of it)

## Wages

- We *will* talk about what types of compensation must be reported as ‘wages’ and which types don’t
- Generally, most payments you make through your payroll system are wages – but there are a few exceptions

# Wages to report to UI – Most Common

**Basic rule:** Compensation you give to an employee should be reported to UI as wages

Wages including but are not limited to:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Salary** | **Cash wages** | **Commissions** | **Bonuses** | **Profit sharing** | **Tips** | **Back pay** | **Sick pay** |

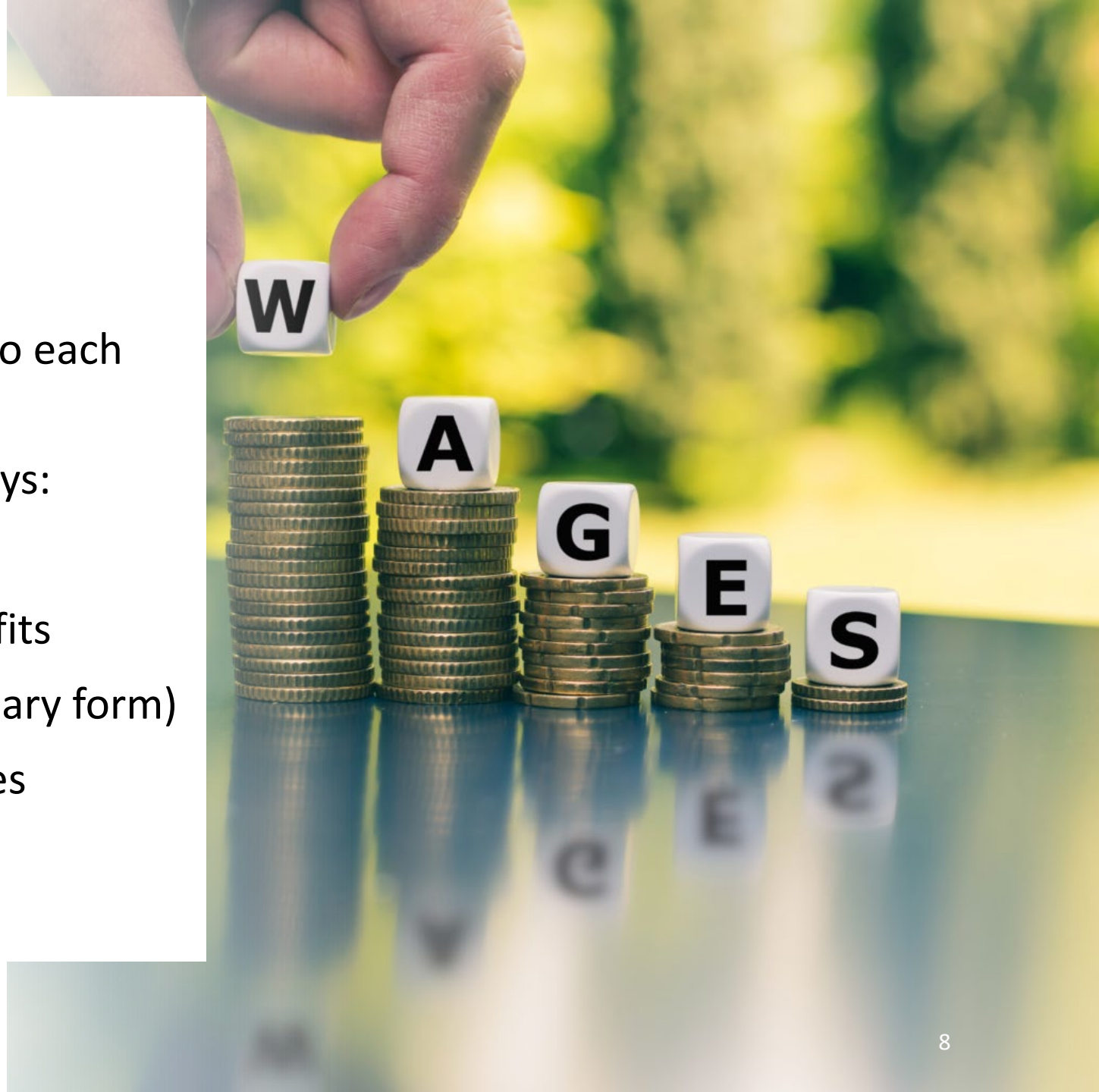
# Wages to report to UI – Less Common

…but you still need to get it right:

- ✓ Reasonable value of meals, rent, housing, or any similar advantage
- ✓ Cash value of any remuneration paid by a means other than cash
- ✓ Payments made under a deferred compensation or cafeteria plan, discussed in 'Employee Benefit Plans' (see ui.mn.gov)
- ✓ Value of any special discount or markdown allowed to an employee on goods purchased from/services supplied by the employer, even when the purchases are optional and do not constitute regular or systematic payment for services

# Reporting wages to UI

- You must report the wages you paid to each employee each quarter
- We use this information in several ways:
  - To calculate your UI taxes
  - To calculate unemployment benefits
  - For economic measures (in summary form)
  - As basis of other integrity activities
  - For the Paid Leave Program



# Reporting wages

- There are several ways to submit wage detail:
  - **Manual entry –** usually small employers
  - Copy **names and social security numbers from previous quarters –** easiest when things don't change much
  - **File upload –** multiple options, your payroll software probably helps
  - **Zero Wage Report** – we don't know if you paid wages or not until you report
- Are you submitting in the method most efficient for you?
- Refer to ui.mn.gov for details

# Due dates

- Wage detail information and UI tax are always due one month after the end of the quarter.
  - Must be received on or before the due date
  - If the due date falls on a weekend or legal holiday, the due date becomes the following business day

# Questions?

Any questions on wage detail reporting?

# UI is NOT forward funded

When an unemployed worker receives unemployment benefits, the amount paid to that worker is recovered from his or her former employers; either in the next quarter or over time.

It depends on the type of employer:

**Taxpaying employers** – assigned a tax rate based on their past *experience* with UI

**Reimbursing employers** – directly repay the amount paid to former workers

# Reimbursing employers

- Reimbursing employers are billed quarterly on a dollar-for-dollar basis for benefits received by their former employees in the prior quarter
- Only certain types of employers may be reimbursing employers:
  - State of MN and political subdivisions such as school districts default to the ‘reimbursement’ method
  - Charitable non-profits default to ‘taxpaying’ but can request reimbursing status
  - Tribal Governments

# Between Terms provision – Use of Educational Wage Credits

- Federal law requires states to limit the use of wage credits from educational employers during the Between Terms period (summer)
- It does not make an individual ineligible for UI benefits
  - It makes the wages the applicant's UI account would be based on **unavailable** during the period Between Terms, if:
    - The employee worked in an ***instructional, research or administrative capacity,*** AND
    - Has **reasonable assurance** they are going back to substantially the same job
  - Wages from other types of employment *are* available during the period Between Terms

- Most parts of UI law are about eligible/not eligible
- This provision is about something else; use of wage credits
- It's a lot more complicated and involves parts of UI most people never need to think about

# Changes to Between Terms

- Between Terms provision changed in 2023
- The change to the Between Terms provision removed the restriction of wage credits for ***non-instructional staff*** beginning with the 2023 Between Terms period.
- Non-instructional staff who are laid off at the end of a school term will be able to use their wages credits in the calculation of their benefit account, even if they are returning to the same or a similar job during the next school term.
- Also removed restriction to exclude wage credits for school contractors
- Provided for some reimbursement of additional costs incurred by schools (administered by MN Dept of Education)

# Applying the Between Terms provision

**Non-instructional employees:**

- The Between Terms provision does not apply
- Wages earned from an educational institution **will be used** in the calculation of the weekly benefit amount
- This means they will likely get benefits, and you will be charged during the Between Terms period

**Instructional, research or administrative employees:**

- The wages earned from the educational institution ***will not be*** used in the calculation of the weekly benefit amount ***if*** the employee ***does have*** reasonable assurance of returning to the same or similar job during the next school term
- The wages earned from the educational institution ***will be used*** in the calculation of the weekly benefit amount ***if*** the employee ***does not*** have reasonable assurance of returning to the same or similar job during the next school term

# *Reasonable* Assurance

- The employee has a pretty good level of certainty that they will be working in the next term.
- Reasonable assurance of continued employment may be written, oral, implied, or established by custom or practice. This can be from ANY school employer.
- Changes to reasonable assurance during the Between Terms period
  - An employee who initially does not have reasonable assurance can get it. The ability to use their wage credits will be removed once the offer of similar work is received.
  - Conversely, if an applicant has reasonable assurance and then loses it, their ability to use their wage credits returns.

# ‘Substantially less favorable’ employment

- What if an instructional staff has reasonable assurance of continued employment in the following term, but for a much different job?

- Wage credits can be used if the work will be “substantially less favorable”

- New employment may be substantially less favorable if the new employment:
  - Offers a significant reduction in compensation or benefits
  - Moves from full-time to part-time
  - Represents a demotion
  - Significantly shortens the duration of employment

# ‘Substantially less favorable’ employment

**What is NOT substantially less favorable?**

- Having to teach at a new grade level or different subject is NOT considered ‘substantially less favorable’, even though it may require a steep learning curve to do the job.
- Summer school is not considered part of the academic year. It is NOT part of the comparison when we determine if work offered for the next academic year is ‘substantially less favorable’.
- A reduction from a 12-month schedule to a 9-month schedule is NOT considered ‘substantially less favorable’.

# What about break periods within the school term?

Within Terms breaks (winter and spring) works similarly to Between Terms but does not take in to account the type of work an employee does.

- Regardless of the type of job an employee has, the wages the applicant's UI account are based on are unavailable during the period Within Terms if the employee is going back to substantially the same job after the break
- Wages from other types of employment *are* available during the period Within Terms just like they are Between Terms.

# Coaches and referees

**Unemployment benefits may not be paid to an applicant based on coaching/athletic/training/referee employment during the period between two successive sport seasons, or similar periods, if:**

1. the applicant was so employed in the prior season or similar period, AND

2. there is a reasonable assurance that the applicant will be so employed in the following season or similar period.

**This subdivision applies to a coach employed by an educational institution whose only employment with the educational institution is as a coach.**

**Both the coaching and between terms provisions can apply to someone who was both a coach and non-coach for the school**

# Offers of employment

An offer of employment occurs when an employer offers an individual a job

- ❑ Must be a real (bona fide) job
- ❑ Can’t be just a chance for a job or a sign-up sheet
- ❑ Needs to be a one-to-one offer -- not, “there are openings”
- ❑ Needs to be conveyed to the individual clearly
- ❑ There needs to be details

If these elements are not present, no bona fide offer has been made

- Assuming a bona fide offer:
  - The offer is either accepted or refused
    - Accepted = no problem
    - If refused, the question is whether the offered employment was suitable

# Suitability

Mostly compares the offer against labor market and past employment history for the applicant

Significantly lower net pay is generally not considered suitable

# Managing your UI cost

- There are times when, as an employer, you should not be “charged”
- Understanding how unemployment insurance works can help ensure that your UI costs are not more than they should be

# Managing your UI tax rate

- You get notified – we tell you when a former employee applies for benefits
- **Review the notices and your account**
- **Raise an Issue if you need to**
  - Raise an issue when your former employee may not be eligible to receive unemployment benefits and/or your account shouldn't be charged
  - It is not necessary to raise an issue if you laid off an employee
  - Maintain detailed records – written warnings, dates, etc.
  - Respond thoroughly to UI questionnaires
  - Only include information about the employee in question – Don't include private information for other employees (example, SSNs)
- **Most issues are raised by applicants – but you need to keep an eye on things too.**

# Managing your UI tax rate

**DETAILS**

**DETAILS**

**DETAILS**

You can see lots of stuff in your UI account

You can view all applicant accounts filed and benefit charges attributable to you

**REVIEW BENEFIT CHARGES**

The employer self-service system is very accurate, but it's always wise to review charges on your account

**APPEALS**

Appeal when you receive a Determination of Eligibility indicating your former employee may received UI benefits and you disagree with the facts or reasoning of the determination.

Every determination we make on eligibility and tax rates is appealable

Both you and your former employee have rights to appeal

# Managing your UI tax rate

How do you know when to raise an issue or appeal a determination to protect your UI account?

- In general, UI provides benefits to people that lose their job due to no fault of their own
- Basic eligibility requirements for applicants:
  - ❑ Must have sufficient earnings in their base period (currently $3,900)
  - ❑ Must be unemployed or have reduced hours through no fault of their own
  - ❑ Must be legally authorized to work in the U.S.
  - ❑ Must be actively seeking suitable work each week
  - ❑ Must be able and willing to begin suitable work without delay when offered

NOW, IT'S
YOUR TURN

UI benefits can be based on temporary or part-time employment.

***TRUE OR FALSE?***

# TRUE

**UI benefits can be based on temporary or part-time employment.**

- $3,900 earned any time in 4-quarter “base period”
- The key is that the $3,900 threshold has been crossed

The longer you keep a new employee who is struggling to do their job, the higher your risk of increased UI cost.

***TRUE OR FALSE?***

# TRUE

**The longer you keep a new employee who is struggling to do the job, the higher your risk of increased UI cost.**

- Time does two things:
  - The longer you allow an unwanted behavior to continue, the less likely it can be treated as misconduct.
  - The longer someone works for you, the greater the amount of potential future benefit charges that will be attributed to you.

- The more money you paid the employee during the base period, the greater the potential impact on your experience rate.

If you schedule a worker for less than half their usual weekly hours of work, they may be eligible for partial UI benefits that week.

***TRUE OR FALSE?***

# TRUE

**If you schedule a worker for less than half their usual weekly hours of work, they may be eligible for partial UI benefits that week.**

- Workers whose hours have been significantly reduced may be eligible for a partial UI benefit
- Weekly benefit amount is half their weekly wage
- 50% of part-time earnings reduce the UI benefit for that week

An on-call, substitute or seasonal employee who is between work assignments is, by law, laid off due to lack of work.

***TRUE OR FALSE?***

# TRUE

**An on-call, substitute, or seasonal employee who is between work assignments is, by law, laid off due to a lack of work.**

- Lack of work is lack of work - doesn’t matter the cause or that the individual knew the job would end.

If you provide a consistent, scheduled amount of part-time work to an employee, you may not be charged for UI benefits paid if they lose their full-time or other job.

***TRUE OR FALSE?***

# TRUE

**If you provide a consistent, scheduled amount of part-time work to an employee, you may not be charged for UI benefits paid if they lose their full-time or other job.**

- Work MUST be scheduled and ongoing - NOT on call or seasonal to avoid potential charges. Schedule can be weekly, monthly, every other weekend, etc.

Most workers who quit their jobs are not eligible for UI benefits.

***TRUE OR FALSE?***

# TRUE

**Most workers who quit their jobs are not eligible for UI benefits.**

- Remember: Unemployed due to no fault of your own
- With a few exceptions, such as:
  - Worker quits due to a good reason caused by the employer
  - Worker is subjected to adverse working conditions by the employer
  - Worker requests employer to correct adverse working conditions
  - Employer doesn’t correct the adverse working conditions

**Exception – Quit for medical reasons**

- Employers are relieved of charges

Most workers who are fired from their jobs are not eligible for UI benefits.

***TRUE OR FALSE?***

# FALSE

**Most workers who are fired from their jobs are not eligible for UI benefits.**

**Discharge defined.**
A discharge from employment occurs when any words or actions by an employer would lead a reasonable employee to believe that the employer will no longer allow the employee to work for the employer in any capacity. A layoff because of lack of work is a discharge.

# FALSE

**Most workers who are fired from their jobs are not eligible for UI benefits.**

**Employment misconduct defined.**
Employment misconduct means any **intentional, negligent, or indifferent conduct,** on the job or off the job, that is a serious violation of the standards of behavior the employer has the right to reasonably expect of the employee.

**Intentional –** Did the worker make a negative deliberate choice?

**Negligent –** Did the worker fail to use care that a normally careful person would take in the situation?

**Indifferent –** Was the worker apathetic or not caring?

# FALSE

**Most workers who are fired from their jobs are not eligible for UI benefits.**

- We decide who is eligible based on the information we get from you and your former employee
- Don’t tell us “it was misconduct.” Tell us what happened and why it mattered to YOUR business
- Responding to UI questionnaires is critical to help us tell the difference

# What employment misconduct is not…

(b) Regardless of paragraph (a), the following is not employment misconduct:

(1) conduct that was a consequence of the applicant's mental illness or impairment;

(2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

(3) simple unsatisfactory conduct;

(4) conduct an average reasonable employee would have engaged in under the circumstances;

(5) conduct that was a consequence of the applicant's inability or incapacity;

(6) good faith errors in judgment if judgment was required;

(7) absence because of illness or injury of the applicant, with proper notice to the employer;

(8) absence, with proper notice to the employer, in order to provide necessary care because of the illness, injury, or disability of an immediate family member of the applicant;

(9) conduct that was a consequence of the applicant's substance use disorder, unless the applicant was previously diagnosed with substance use disorder or had treatment for substance use disorder, and since that diagnosis or treatment has failed to make consistent efforts to control the substance use disorder; or

(10) conduct that was a consequence of the applicant, or an immediate family member of the applicant, being a victim of domestic abuse, sexual assault, or harassment or stalking. For the purposes of this subdivision, "domestic abuse," "sexual assault," and "harassment" or "stalking" have the meanings given them in subdivision 1.

Being fired for a ‘no call-no show’ absence disqualifies one from UI benefits.

***TRUE OR FALSE?***

# IT DEPENDS

**Being fired for a “no call-no show” absence may or may not disqualify one from UI benefits.**

- This part sometimes annoys employers – it can be messy
- Not calling in IS ***serious***
- In jail? → Not an excuse
- In the hospital? → Maybe
- Commonly heard:
  - “Told my girlfriend to call…”
  - “I called but they didn’t get the message…”
- We must accept statements from you AND the applicant

# Congrats! You passed!

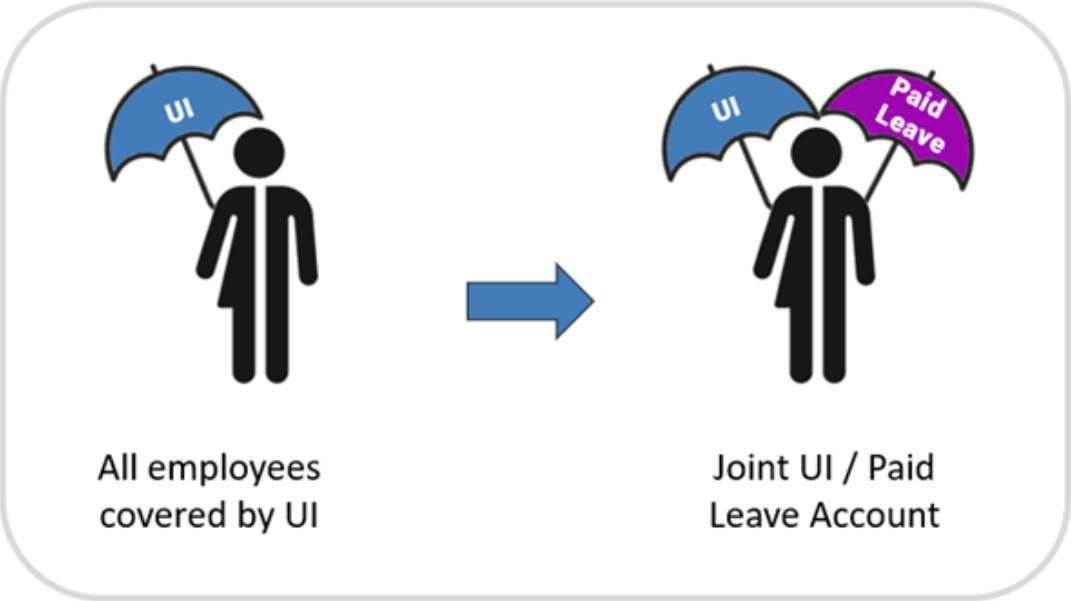
# Minnesota Paid Leave

**Paid Leave benefits started for Minnesotans on January 1, 2026.**

It provides paid time off for workers when:

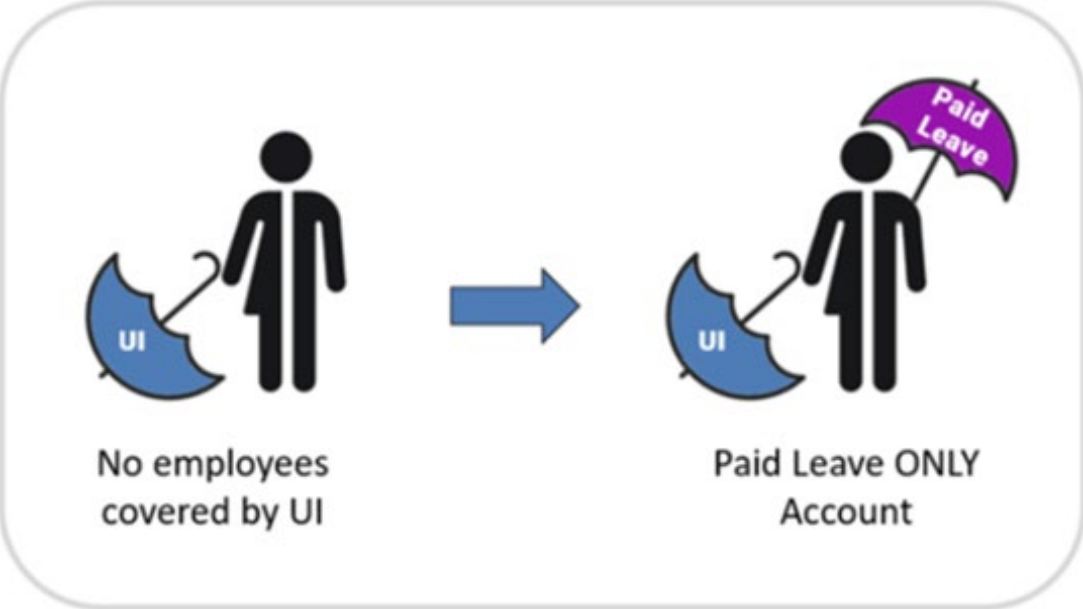
| | | | |
|---|---|---|---|
| A serious health condition prevents a worker from working | When a worker needs time to care for a family member or a new child | Time off is needed for certain military-related events | There is a need for time off for certain personal safety issues |

# Joint UI / Paid Leave Account



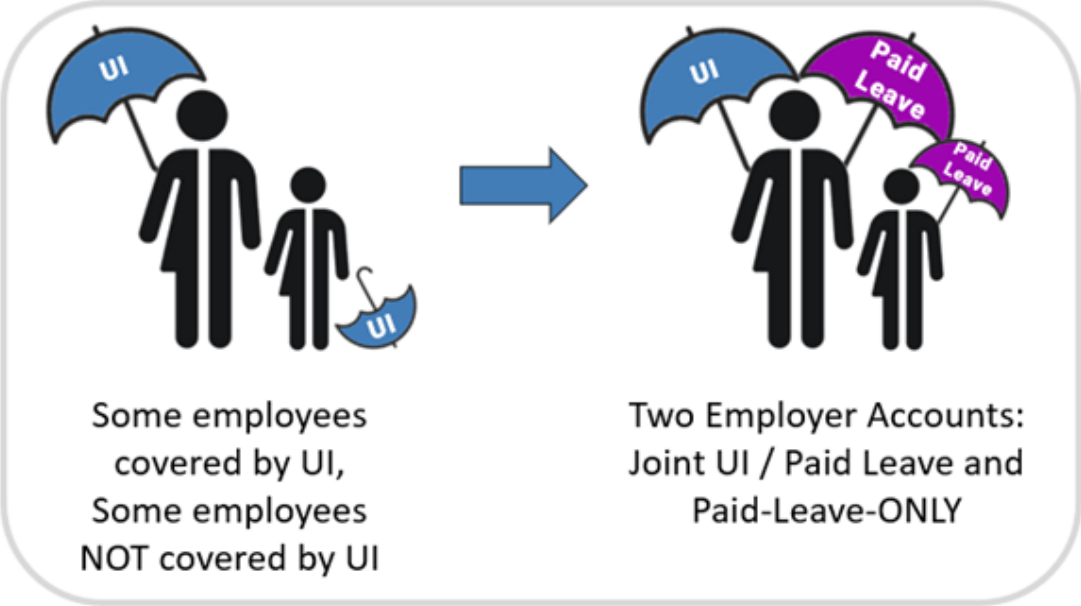

- **If you already have a UI account:**
  - We automatically changed your account to a Joint UI / Paid Leave account
  - Submit your wage detail like usual (in the current UI system)
    - Your wage detail submission will be applied to MN UI and Paid Leave
  - Pay your UI tax like usual
  - Your first Paid Leave premium will be due April 2026
- If you aren't registered for UI yet, then you will register for a Joint UI / Paid Leave account.

# Paid Leave ONLY Account




- **If you have no employees covered by UI:**
  - Wage detail submissions began in Oct. 2024
    - Paid Leave wage detail submissions are made in the current UI system
  - Paid Leave premiums are due in April 2026
    - Paying the Paid Leave premium will be done within your account in the UI system

# Joint UI / Paid Leave Account AND Paid Leave ONLY Account




- If you have some employees covered by UI and some employees NOT covered by UI:
  - Your Joint UI / Paid Leave account and Paid-Leave ONLY account have **different** account numbers
    - They will share the same FEIN
  - You will need to have **two** wage detail submissions each quarter
    - One for your employees that are **covered for UI**
    - One for your employees that are **covered for Paid Leave**
- You will be required to pay UI taxes like usual

**Paid Leave premiums are due in April 2026**

# Minnesota Paid Leave

1. Register for an account
2. Designate a Paid Leave Administrator
3. Create your Paid Leave Administrator account
4. Submit quarterly wage detail reports
5. Pay quarterly UI taxes and premiums

# Paid Leave Premium Rate Notices

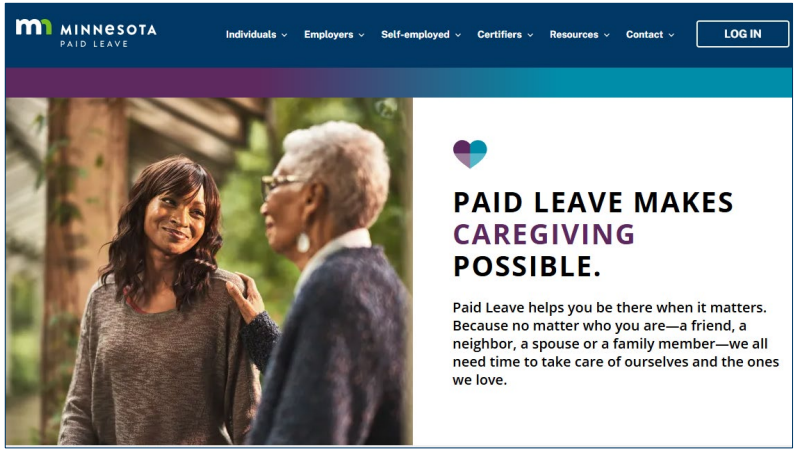
Sent annually to all employers covered by Paid Leave

UI taxes and Paid Leave premiums are calculated differently

Premiums due beginning in April 2026

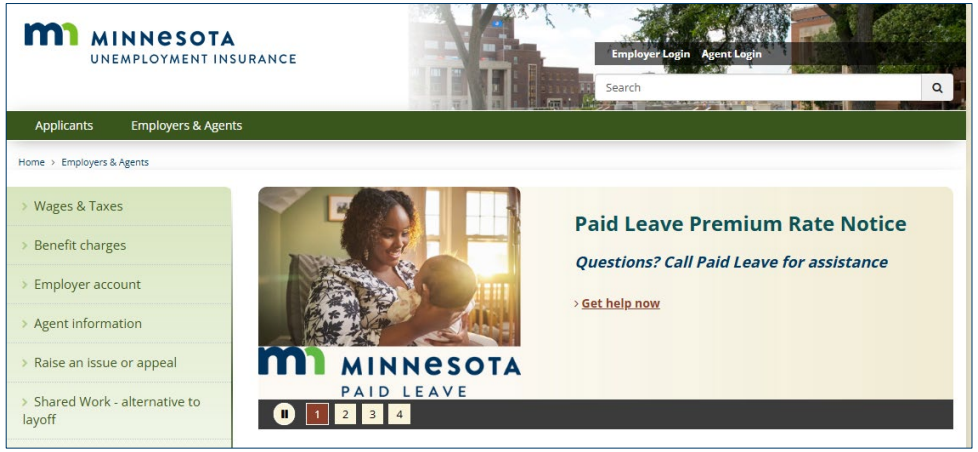
# Paid Leave Resources

## More information available at:




**pl.mn.gov**

Paid Leave Minnesota website

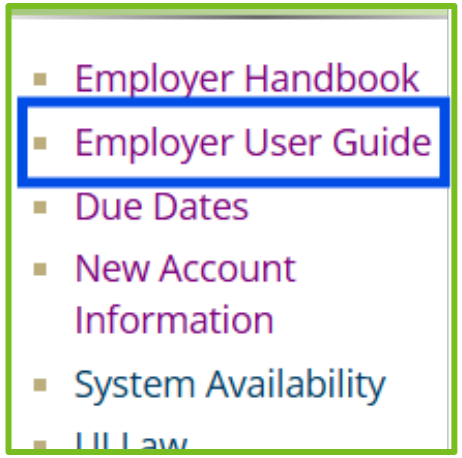


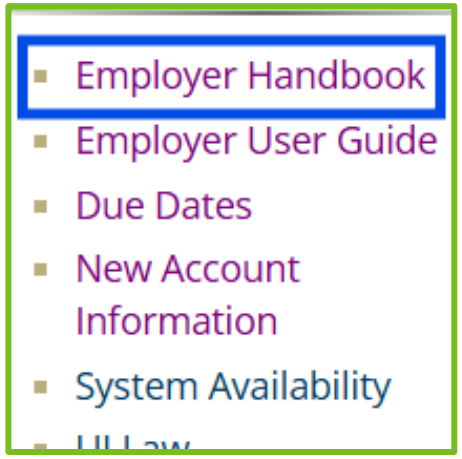

**ui.mn.gov**

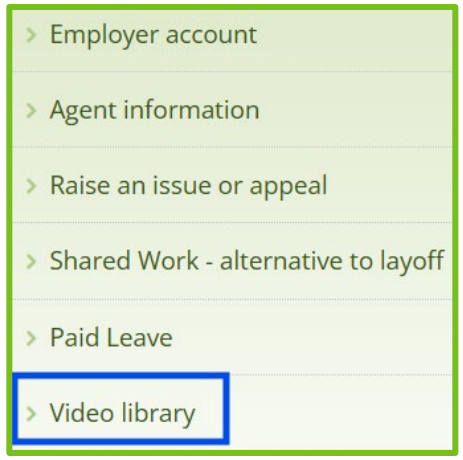
MN Unemployment Insurance website

# Resources

## Assistive information is available on ui.mn.gov




**Employer User Guide**

Step-by-step instructions for accessing/using your online employer account

**Employer Handbook**

Overview of Minnesota Unemployment Insurance law

**Informational Videos**

Topically-based UI videos

# Customer Service Center

- Staff available to answer your questions
- Telephone 651-296-6141 (option 4)
- Monday – Friday, 8 a.m. to 4:30 p.m. (except holidays)

EMPLOYMENT AND ECONOMIC DEVELOPMENT

# Questions?

**Thank you!**