

What Employees and Employers Need to Know about Unemployment Compensation

Employers and employees alike are often faced with the prospect of layoffs or terminations in their business or profession that implicate Unemployment Compensation Law. It is important that both employers and employees properly protect their legal rights, and economic bottom lines, in such circumstances.

Unemployment Compensation is a form of insurance that exists to provide temporary income for workers who have become unemployed for qualifying reasons. This insurance is funded by taxes paid by both employers and employees.

It is important for both employers and employees to know and understand their rights in the event of a layoff, voluntary quit, or the unfortunate event of a business needing to terminate a worker for cause. The law has specific time limitations and rules for when, if and how unemployment compensation is paid in these situations.

If you are an unemployed employee or an employer faced with the prospect of laying off or terminating a worker, you should consider consulting an attorney to ensure that your rights are protected. The following is a list of only a few legal considerations that you should be aware of. Your qualified legal counsel can provide you with additional important information.

If you are an Employer:

1. Establish, and consistently administer a Written Policy outlining expected behavior of all employees.
2. Diligently, keep a record of incidents involving improper employee behavior, and make such discipline and records promptly at the time of the incident. Communicate in writing to your employees regarding infractions of the rules.
3. If a separated employee claims unemployment compensation, and you do not think such a claim is warranted, it is critical that you timely appeal any adverse decision granting benefits, and prepare for the referee hearing. **THE REFEREE HEARING IS THE ONLY TIME YOU WILL HAVE TO PRESENT EVIDENCE FOR YOUR CASE.** You should treat a referee hearing with the seriousness of a trial in a court of law.

If you are an Employee:

1. Be sure to completely and accurately file your claims for benefits in a prompt manner.
2. If you are denied benefits, or your employer objects to the granting of benefits, it is critical that you appeal the decision and prepare for the referee hearing that will then be scheduled. Timeliness is critical. **THE REFEREE HEARING IS THE ONLY TIME YOU WILL HAVE TO PRESENT EVIDENCE FOR YOUR CLAIM.** You should treat a referee hearing with the seriousness of a trial in a court of law.

3. In most cases, employees will not be eligible for unemployment compensation if they start a business on the side, or voluntarily quit from their job. Before considering either of these options, you should consult legal counsel to consider how to approach that decision.

The contents of this article are for educational purposes, and do not constitute legal advice. Before pursuing any option discussed in this memo, you are advised to consult an attorney to discuss the specific facts and laws applicable to your case.

Cordially,

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