MESSAGE FROM DWD SECRETARY-DESIGNEE PECHACEK

Dear Employers:

The Department of Workforce Development is pleased to provide you with an update on just a few of the many things happening at the department related to the Unemployment Insurance (UI) program. 2021 was another busy year for the department, with continued implementation of federal benefit programs and the end of those programs, scheduled upgrades to our UI systems, and many other projects such as the upgrade to our UI call center.

This newsletter provides brief updates on UI benefit charging for employers, important news about next year’s tax rate schedule, information on the Work-Share program, and our online labor law training sessions.

We are excited for everything that 2022 will bring as we proceed with our modular approach to updating our UI benefit and tax systems. Moving this technology out of the 1970’s and into the modern age is absolutely vital if we are to avoid the many challenges that were brought forth by the COVID-19 pandemic.

Thank you,

Amy Pechacek
Secretary-designee

WORKFORCE SOLUTIONS INITIATIVE

Governor Tony Evers is investing $130 million into solutions to help address the state’s post-pandemic workforce needs. The groundbreaking investment builds on Wisconsin’s leadership in workforce development and advances the state’s economic competitiveness. Funded through the American Rescue Plan Act, the investment will deliver regional solutions to address labor force challenges and workforce constraints exacerbated by the pandemic so that Wisconsin’s economy can bounce back even better than before the COVID-19 pandemic.

More information can be found at https://dwd.wisconsin.gov/workforce-solutions.

TAX RATE SCHEDULE – GOOD NEWS FOR EMPLOYERS!

Tax rates for 2022 and 2023 will remain in the lowest rate schedule, Schedule D. The Wisconsin State Budget included $60 million each year of this biennial budget to support employers and the Unemployment Insurance Trust Fund. Schedule D has been the schedule in effect since 2018.

Benefit charges are still being seen on your account. An emergency rule gave employers the benefit of excluding all benefit charges during the period of March 15, 2020 through March 13, 2021 for the purposes of the tax rate calculation. These charges were excluded for the purpose of the 2022 tax rate calculation.

It is always important for you to review the Reserve Fund Balance Statements to look for identity theft.

RELIEF OF CHARGING

DWD has been working hard to support our state’s economic recovery while implementing many legislative changes that help job seekers, workers and employers. Beyond the unprecedented workforce and economic recovery dollars that are being invested in the state by Governor Evers through DWD, our efforts over the past year have focused on creating economic stability through our unemployment programs.
RELIEF OF CHARGING  (Cont’d)

Many people have heard about the extra support provided to workers who lost their jobs through no fault of their own. Yet at the same time, our state and federal leaders have also worked to provide relief to employers through the UI system.

Generally, employers' UI accounts are charged when a former employee is eligible for UI benefits. However, between several pieces of state and federal legislation and emergency administrative rules, employers have been relieved of approximately $1.7 billion in benefit charges from March 15, 2020 thru March 13, 2021.

Reimbursable employers – those who typically pay for their employees' claims dollar-for-dollar – will receive about $150 million in direct benefit relief. Employers who pay UI taxes into the system will see about $450 million in tax relief over three years.

Shifting the UI benefits from the employer reserve accounts to the UI balancing account during the pandemic also permanently lowered UI taxes due to the impact on employers' experience ratings. Tax rates for chargeable employers will also remain at the lowest tax rate schedule through 2023, regardless of the UI Trust Fund balance.

While employers have been experiencing this relief since last spring, the IT programming necessary for them to see the relief in their billing statements is still in progress. Charges for employees who filed for Unemployment starting March 15, 2020 through March 13, 2021, will be removed from your account. UI is automating this recharging. The automation will be complete by the end of 2021. It is expected that the 1st quarter of 2022 will still involve some manual cleanup for claims requiring further analysis.

REIMBURSABLE EMPLOYERS

If you are a reimbursable employer (nonprofit, local government or tribe that has made the election), your bills show benefit charges which you will not have to pay. Charges for these benefits will be a part of the Recharging Project. Depending on timing, some benefits will be 100% paid by the federal government, others at 50% or at 75%. After the charges are correctly calculated, employers will be sent a corrected bill and be provided additional time to make payment without interest.

WISCONSIN WORK-SHARE PROGRAM TO HELP AVOID LAYOFFS

The Work-Share Program (also called Short-Term Compensation or STC), is designed to help both employers and employees. Instead of laying off workers, a qualified employer can plan to reduce work hours for at least twenty employees thus aiding the employer to retain its valued, skilled and/or trained employees.

Workers whose hours are reduced under an approved Work-Share plan receive unemployment benefits that are pro-rated for the partial work reduction and will not need to apply for other jobs or be available to work for another employer while in the plan. For more information, please visit https://dwd.wisconsin.gov/uitax/workshare.htm.

LABOR LAW TRAINING: FRIDAY FUNDAMENTALS

DWD presents a 2021-2022 series of interactive, educational web conferences open to the public that provide basic information about one of the following topics: Fair Employment, Wage and Hour, Worker's Compensation, Vocational Rehabilitation, Unemployment Insurance and Employment and Training laws.

Courses are designed to be most helpful if you are new to your job or to the State of Wisconsin. The $36.00 registration fee for each session includes reference materials in advance of each session. A certificate of attendance is also available for continuing education credits. Visit https://dwd.wisconsin.gov/laborlaw/frifund.htm.

EMPLOYER HANDBOOK

The UI Handbook for Employers is intended to assist employers in meeting their obligations under the Wisconsin UI law, Chapter 108, Wisconsin Statutes. To keep up-to-date on all UI program laws and policies, please view or print this handbook at https://dwd.wisconsin.gov/ui201.

Wage information and other confidential unemployment insurance information may be requested and used for other governmental purposes, including verification of an individual's eligibility for other government programs. For complete information on the rules regarding disclosure, refer to Wisconsin's Administrative Code Chapter DWD 149.