Client Training HQ

Employing Part-Time and Temporary Employees for Reimbursing Employers

This document is intended to provide some best practices for employing part-time, on-call, or temporary employees as an employer with a reimbursing status.

What is a Reimbursing Employer?

Unlike a merit rated employer, a reimbursing employer does not pay any taxes on their employees. Most reimbursing employers are traditionally non profit companies that, per law, are not taxed. A reimbursable employer still pays for their unemployment claims, but just in a different way. A reimbursing employer pays dollar for dollar for all unemployment benefits charged to their account. In general, most hospitals, churches, and Native American tribes typically register as reimbursing employers.

Because reimbursable employers pay dollar for dollar for all unemployment benefits, it is important to keep a close eye on who is filing for unemployment benefits and contest all available claims to keep that dollar amount down.

Requirements to Qualify for Unemployment Benefits

It is important to know that there are five (5) requirements that a claimant must meet to be eligible for unemployment. Claimants must be:

- Able to work
- Available for work
- Actively seeking work
- Monetarily eligible
- Unemployed through no fault of their own

Ultimately, specific regulations guide state adjudicators through to make a determination on these eligibility requirements when there has been a separation.

Part-Time Employees Working All Available Hours

It is recommended that you protest a still working case when the claimant is working a set schedule every week. These types of employees could be working less than full-time hours, without a fluctuating schedule. As long as you can show that hours do not change based on the needs of the business, these types of cases should be pursued.

To prove this, you should provide:

- Copies of pay statements that show the same amount of pay earned each week
- Time clock punches that show the amount of hours worked

The employee must work consistent hours and accept all available/suitable work in order to be considered a part-time employee.

Casual/On-Call/Per Diem Employees

If you receive a claim for someone who works based on the needs of the business (meaning, an employee has a fluctuating schedule), it is recommended that those types of cases not be pursued. For example, an employee may work 20 hours one week, 15 the next week, 20 the following week, and so on. If the amount of hours worked frequently changes and the employee is accepting all available hours, partial unemployment may be awarded to supplement the employee's income. When an employee works inconsistently throughout a particular work week, they are eligible for partial unemployment benefits. The state determines if a claimant is eligible for benefits by assessing a weekly benefit amount (WBA), which is calculated based on the employee's wages. Each week, it is the employee's responsibility to report their wages to the state in order to receive partial benefits. The amount the employee will receive depends on their earnings subtracted by the state's WBA.

Temporary Employees

With a temporary employee, it is the temporary help firm/agency that has the responsibility as the employer even though the employee is working at their customer's place of business. The temporary firm/agency will hire and fire, issue paychecks, withhold payroll taxes, and make required employer contributions to programs such as unemployment. The use of temporary employees for a reimbursing employer could be quite beneficial for seasonal employment as the reimbursing employer would not be liable/responsible for their unemployment benefits once the seasonal assignment ends. This can take the stress off of separating a temporary employee as there is no liability for benefits and can simply end the employee's work assignment at any time. If you have any questions regarding these types of employees and the best approach to contesting these claims, please reach out to your UC Service Team.

More Training is Available!

More Unemployment Compensation for reimbursing training is available on our Connections site.

The information provided is intended as general guidance and is not intended to convey any tax, benefits, or legal advice. For information pertaining to your company and its specific facts and needs, please consult your own tax advisor or legal counsel.