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When an individual files for benefits, the state establishes a “benefit year” for them and the claimant can collect their award of benefits during that time frame. The benefit year begins on the date the claimant filed for benefits and ends 52 weeks later. Most, but not all, states have two primary types of claims forms – a last employer claim and a base period claim. These different claims are sent to specific employers and serve different purposes.

LAST EMPLOYER CLAIMS
The last employer claim is sent to the last employer directly preceding the filing of the claim. This could be an employer who employed the claimant for as little as a few days or as long as many decades. The separation from this employer will be used to adjudicate the claimant’s overall eligibility for unemployment benefits.

BASE PERIOD CLAIMS
The base period employer claim is sent to any employer or employers who paid wages to the claimant during the base period. In most States, the base period is defined as the first four of the last five completed calendar quarters. The fifth quarter is deemed a lag quarter and the current quarter is ignored. Because of this, there may be one or many of this type of claim form issued. Its sole purpose is to determine the employer’s chargeability. Each base period employer is issued a base period claim and, if the separation is protestable, has the opportunity to request relief of charges. As a reimbursing employer, you pay dollar for dollar for your unemployment claims versus merit rated employers that pay their unemployment claims based on their tax rate. In most cases, a reimbursing employer can’t challenge a base period claim. However, there are a number of states that have specific rules that allow for protesting a base period claim under particular circumstances.

Keep in mind that unemployment goes back 18 months so if your former employee did not file directly after separation from your employment, you could still see a claim a year and a half later. That is why documentation is so important.

DOCUMENT, DOCUMENT, DOCUMENT
The time to win an unemployment claim is not when you receive it in the mail. The time to win an unemployment claim is before a worker separates and even files a claim. By the
time you receive that claim from the state, it’s too late to get that written resignation letter or that witness statement or that signature on the company policy. To create effective documentation, it is imperative that you document a worker’s history, good or bad, as it occurs.

In handling a discharge, the state needs all details regarding the final incident. When an employee verbally resigns, ask that he/she put that resignation in writing. When dealing with an employee on progressive discipline, make sure that the steps for improvement are listed as well as the policy being violated. Follow these tips, so when that request for information hits your inbox, you will have everything you need to put forth the best case possible.
501(c) Services, a 100 percent employee-owned company, has more than 35 years of experience providing full-service alternatives to state-run unemployment insurance programs. We are the administrators of 501(c) Agencies Trust – a group of 1,500 nonprofits nationwide – who collectively save over $20 million dollars annually using our services.

With the most comprehensive suite of services in the marketplace today, 501(c) Services is the only provider who can tailor unemployment programs to meet the financial and risk needs of organizations. For organizations wishing maximum protection, 501(c) Services can offer UInsure – the only admitted private unemployment insurance product to cover the cost of some or all of an organizations claims.

UNEMPLOYMENT OPTIONS FOR SELECT EMPLOYERS
Per the Social Security Act, 501(c)(3)’s, government entities and tribally owned businesses have the option to “self-fund” their own unemployment benefits. Although most employers continue to use the default state unemployment insurance program, organizations who have elected to self-fund often see a considerable cost-savings and are able to put those savings back into their missions and programs.

Exploring unemployment funding alternatives is an option every nonprofit should consider.