Recent Changes to Indiana's Unemployment Insurance Program

May 18, 2021

Categories:

Coronavirus Response Team

Publications

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As Indiana's unemployment rate has dropped, the State announced that changes are coming to Indiana's unemployment insurance program.

First, Governor Eric Holcomb issued Executive Order 21-13 on May 11, 2021, directing the Department of Workforce Development (DWD), which administers Indiana's unemployment insurance program to "resume its pre-pandemic interpretation of its statutes" effective June 1, 2021. This includes reinstating the requirement that individuals requesting unemployment assistance be actively seeking full-time work. Activities which would fulfill this requirement include applying for a job, attending a job fair, participating in WorkOne orientation, or completing an online workshop. Additionally, applicants for benefits must demonstrate that they are able and available for full-time work, can establish good cause for any separation from employment, and have timely filed claims for benefits. The Executive Order further directs DWD to cease charging the pooled fund for employer layoffs and instead return to charging individual employer experience accounts.

Second, the Governor announced that Indiana will end its participation in all federally-funded pandemic programs on June 19, 2021. These programs include:

- Federal Pandemic Unemployment Compensation (FPUC), which provides a $300 weekly add-on to recipients of unemployment insurance;
- Pandemic Emergency Unemployment Compensation (PEUC), which provides recipients extended benefits after their traditional 26 weeks of unemployment insurance benefits have been exhausted;
- Pandemic Unemployment Assistance (PUA), which provides benefits to individuals who do not normally qualify for unemployment benefits, such as self-employed individuals, gig workers, and independent contractors; and

- Mixed Earner Unemployment Compensation (MEUC), which provides a $100 additional weekly benefit for individuals who are eligible for regular unemployment benefits but also earned at least $5,000 in self-employment income.

With these changes, Indiana's unemployment insurance program will effectively return to its pre-pandemic policies and procedures over the next month. Employers will want to keep this in mind as they make termination and layoff decisions going forward and consult with counsel if they have questions about the impact of these changes on their business.

For more information, contact Rebecca Loeffler or Amy Wilson in Frost Brown Todd's Labor & Employment practice.

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