

or 403(b) or other similar program) benefits or other pension payments! Early distributions to individuals under age 59 ½ are subject to a 10% early distribution tax plus the income tax on the amount you withdraw, unless certain exemptions apply.

In addition, if you cash out your retirement plan or other pension payment received from a plan contributed to or maintained by a base period employer, this payment will also reduce your unemployment benefits. The amount you receive will be divided by your average weekly wage, and you will not be able to receive unemployment benefits for that time period. For example, if your average weekly wage was \$400, and you cash out \$4,000 in benefits, you would not be able to receive benefits for the first 10 weeks ($\$400 \times 10 = \$4,000$).

If you “roll over” your 401(k) within 60 days of a distribution, you can avoid the early distribution tax and avoid reducing your unemployment. You can then save this money for your retirement, or use it after your unemployment benefits are exhausted.

Use Caution When Offered A Settlement Agreement

Many employers are offering settlement packages when laying off employees. The packages may ask you to “waive” (give up) certain rights in exchange for the continuation of benefits and/or certain lump sum payments. You are usually given 45 days to review the offer and to seek advice.

- If you are offered a settlement package, you may wish to review the package with an attorney

before signing it. Feel free to contact Legal Aid for assistance.

- If you are offered a lump sum settlement, ask your employer to allocate it to your last day of work or to a time when you were working. Otherwise, the lump sum will be allocated to weeks after your last day of work and will result in you being unable to receive unemployment benefits for the period of allocation.

Maintain Health Coverage After You Lose Your Job

Below are ways you can keep employer-sponsored medical coverage after you lose your job:

1. Seek coverage through your spouse or other family member’s health plan.

If your spouse, parent, or domestic partner’s employer offers a health plan that can cover you, you may be able to join that plan now that you have lost coverage through your employer. Under HIPPA (Health Insurance Portability and Accountability Act) you have 30 days to enroll in your family member’s plan after your employer stops paying for your insurance.

2. Apply for COBRA—the government can now subsidize 65% of the cost.

If you lost your job after September 1, 2008 and if you were covered by an employer health plan at the time you lost your job, you and covered family members may be able to continue your health insurance by paying only 35% of the COBRA premium. Each family member who was covered by your health plan can make a separate COBRA election.



The
Legal Aid Society
of Cleveland
Since 1905

*This brochure was prepared by
Legal Aid which serves low-income
residents of five counties.*

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What You Need To Know If You Lose Your Job



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File for Unemployment Compensation Benefits

You can receive unemployment benefits if you lose your job for one of these reasons:

- 1. **Lack Of Work**– you can receive benefits if you are laid off by your employer, or if you are getting fewer hours, you may be able to receive partial benefits.
- 2. **Discharged Without Just Cause**– you can receive benefits even if the employer has the right to fire you – if you can show that you were without fault and did not commit misconduct.
- 3. **Quit For Just Cause** – you can receive benefits if you can show that a reasonable person who wanted to remain employed would have quit under the circumstances, and you can show that you made reasonable attempts to resolve the problems with your employer before quitting.

How do I file for unemployment benefits?

You can file for unemployment benefits by calling 1-877-644-6562. Or you can apply online at: <http://unemployment.ohio.gov>.

What happens after I file an application for unemployment benefits?

- You and your former employer will complete fact-finding forms about the reason why you are no longer working. The unemployment agency will use these responses to determine if your separation allows you to receive benefits or not. If you do not understand the questions, call the Processing Center that issued the notice and ask for clarification.
- The agency will evaluate whether you have enough wages in covered employment in your “base period” or “alternate base period” to qualify you for benefits.

- Currently you must have worked 20 weeks and earned an average of \$210 per week.
- Your “base period” is the first 4 of the last 5 completed calendar quarters
- The “alternate base period” is the 4 most recently completed calendar quarters.
- The unemployment agency will issue a **Determination**.
 - If your benefits are **allowed**, the notice will inform you of your weekly benefit amount and the reasons you are no longer working.
 - If your benefits are **denied**, the decision will give the reason for the denial. You may be denied if you do not have high enough wages in covered employment or because of the reason you lost your job.
 - If you disagree with the Determination, you must file your appeal within 21 days from the date the notice was issued. Your former employer also has the right to appeal.

How do I receive benefits?

- 1. **File weekly claims by telephone or online.**
 - You will receive a New Claim Instruction Sheet and a notice containing a Personal Identification Number shortly after you file your application.
 - You should read these papers closely. They will explain how you file your weekly claims.
 - The papers will be sent to you by a Processing Center assigned to you. If you have questions, call the phone number on this notice!
 - You will only receive benefits for the weeks that you file.
 - You will be asked if you were **able, available, and actively seeking work** during the week.

You will only receive benefits for the weeks that you are able to answer “Yes” to these questions. If you answer “No,” you will receive a questionnaire that will ask for more information.

2. Report any earnings or work activity on the weekly claims!

- You will be asked if you are working and how much money you earned during the week in which you filed your claims.
- If you work at all during the week, you **must** report the amount you earned! If you fail to report this information correctly, you can be charged with fraud.

How many benefits will I receive and how much will I receive?

Usually you can receive **26 weeks** of unemployment in a “benefit year.”

Currently there is a Federal extension, called Emergency Unemployment Compensation (EUC) available, providing an additional 33 weeks of benefits. Another program, called Extended Benefits is now available and may provide 20 additional weeks.

In 2009, there have been many adjustments to length of benefits. Due to that, it is recommended you refer to <http://unemployment.ohio.gov> for up-to-date information.

I receive Social Security benefits; can I receive unemployment as well?

Yes. Social Security Benefits are no longer deducted from unemployment benefits.

I tried to start a company but it failed; can I get unemployment?

If you paid into unemployment benefits, you may be

able to receive benefits. Otherwise, you may be able to receive benefits if you still qualify based on your most recent covered employment.

How do I receive benefits?

Benefits are paid by direct deposit or by debit card. You will be able to choose which option you prefer. The agency no longer issues paper checks.

What happens if I am denied benefits?

If you are denied, **you must file your appeal within the 21-day appeal deadline stated on your notice or you will lose your right to appeal.**

If you file an appeal, the agency will then send questions to the employer and will issue a **Redetermination**. If you disagree with the Redetermination, you would file another appeal and you can then have a **Hearing**. You can contact Legal Aid for assistance with filing appeals and to seek assistance with hearings.

What happens if my employer appeals my award of benefits?

If your employer files an appeal, your benefits continue during the appeal. If the decision is reversed, your benefits will stop and you will have an overpayment of benefits. You would then need to file an appeal. Make sure you do not miss the appeal deadline stated on the notice!

Do Not Cash Out Your Retirement Plan When You Lose Your Job!

If you lose your job, avoid the temptation to cash out your retirement plan (such as 401(k))