



Unemployment Insurance

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Unemployment insurance provides temporary cash benefits to eligible employees who become unemployed through no fault of their own. This issue brief highlights some of the key aspects of the regular unemployment insurance program.¹

WEEKLY BENEFIT RATE

State law sets a range from a minimum of \$54 per week to a maximum of \$370 per week for the unemployment weekly benefit rate. The amount is based on a person's prior wages.²

The amount of a person's weekly benefit rate is reduced if a person is partially unemployed.³ In this circumstance, a person may continue to receive some benefits, at a reduced rate, if other income is less than \$500 per week and the person works less than 32 hours in the week. If a person earns more than \$500 or works 32 hours or more in a week, the person is not eligible for reduced, partial benefits.⁴

The weekly benefit rate is subject to state and federal income taxes, which a person may elect to have withheld from the benefit payments. Benefits are also subject to withholdings for child support obligations and for overpayments and forfeitures owed to the unemployment insurance program.⁵

DURATION OF UNEMPLOYMENT BENEFITS

A person is typically eligible to receive benefits for up to 26 weeks within the person's 52-week benefit year.⁶ However, both state and federal law contain provisions allowing for extended unemployment benefits during difficult economic times when unemployment rates exceed certain levels.⁷

Benefits are not immediately paid for the first week, referred to as a waiting period, but are paid out when the person has reached the 26th week of benefits. However, this requirement is temporarily waived until February 2, 2021.⁸

UNEMPLOYMENT ELIGIBILITY

A person who has been laid off and has a sufficient history of wages from covered employment may be eligible for unemployment benefits. A person is generally not eligible for unemployment benefits if the person voluntarily left employment or was discharged for misconduct or other substantial fault.⁹

However, a person who quits may be eligible for unemployment benefits in certain circumstances. For example, a person may be eligible after voluntarily quitting if the separation from employment was due to a family illness, relocation with an active duty spouse, or unaddressed sexual harassment, or because the person had been directed to violate state or federal law.¹⁰

If any eligibility questions are raised, the particular facts in the case will be investigated and an individual determination must be made, before benefits may be paid. If a person is disqualified, eligibility for a future unemployment claim generally must be re-earned through new wages.

Additionally, for each week that a person files a claim, the person must satisfy the following requirements:¹¹

- Be available for work and able to work.
- Register for work with the [Job Center of Wisconsin](#), unless exempted from this requirement.
- Undertake four work search actions per week, unless exempted from this requirement.¹²

ADMINISTRATION

Wisconsin's unemployment insurance law was enacted in 1932. The basic policy for the program and fiduciary requirements are provided in federal law, with details for administration provided in state law. The Unemployment Insurance Division in the Department of Workforce Development (DWD) administers the unemployment insurance program.

An unemployment insurance advisory council advises DWD on matters affecting the development and administration of the program and advises the Legislature on any pending bill relating to unemployment. The council membership includes five management representatives, five labor representatives, and one nonvoting chairperson.¹³

The council is also required to make recommendations for amendments to the unemployment insurance law every biennial legislative session. As there is an equal membership of labor and management representatives on the council, they must jointly agree on recommended bills. The bill that is produced from the joint recommendation process is commonly referred to as the "agreed bill" for the biennium.

FEDERAL AND STATE FINANCING

Financing for the unemployment insurance program comes from a combination of federal and state taxes paid by employers. Generally, the Federal Unemployment Tax Act (FUTA) imposes a tax on a portion of the wages paid for covered employment. The federal tax rate is reduced to offset state unemployment taxes, and some of the FUTA taxes are returned for state administration of the program.

The state tax, which reduces the federal tax, is in the form of a contribution to the state unemployment reserve fund. After an initial standard contribution rate for a new employer, the rate is generally based on the history of benefits paid from the employer's account, referred to as the experience rate.¹⁴

Governmental and nonprofit employers may finance benefits for their employees through a reimbursement arrangement, and many do so. Instead of paying a quarterly tax on payroll, a governmental or nonprofit employer under this arrangement receives a bill for benefits that are paid out, and must reimburse the fund for those amounts.¹⁵

DWD GUIDES

DWD has prepared user guides on unemployment, including a [Handbook for Claimants](#) and a [Handbook for Employers](#).

¹ For information on programs under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), see Legislative Council, [Special Unemployment Benefits for Employees Affected by COVID-19 Public Health Emergency](#) (April 2020).

² Section [108.05 \(1\)](#), Stats.

³ An employer may also utilize a "work-share" structure to keep workers partially employed who would otherwise be laid off. [s. [108.062](#), Stats.] For more information, see DWD's webpage for the [work-share program](#).

⁴ Section [108.05 \(3\)](#), Stats.

⁵ Sections [108.05 \(10\)](#) and [108.135](#), Stats.

⁶ Section [108.06](#), Stats.

⁷ For example, extended benefits were available for benefit weeks ending between May 23 and November 7, 2020, if a person had exhausted regular unemployment benefits and certain federal pandemic emergency benefits. See DWD, [DWD Launches Extended Benefit Program](#) (December 2, 2020).

⁸ Section [108.04 \(3\)](#), Stats.; and 2019 Wisconsin Act 185.

⁹ Section [108.04 \(4\)](#) to (7), Stats. For a list of common eligibility issues, see DWD, [Handbook for Employers](#), Section 1, Part 7: [Eligibility Issues](#) (September 30, 2020).

¹⁰ Section [108.04 \(7\)](#), Stats. Benefits for certain voluntary quit cases are paid from the reserve fund, not the employer's account.

¹¹ Section [108.04 \(2\)](#), Stats.

¹² The requirements to register for work and to conduct weekly work searches are waived for persons who are registered with a union hiring hall or have a reasonable expectation of returning to work within a limited time period. DWD may also waive the requirements, through administrative rulemaking, if allowed under federal law. [s. [108.04 \(2\) \(b\)](#) to (bd), Stats.]

¹³ Sections [15.227 \(3\)](#) and [108.14 \(5\) \(a\)](#), Stats. For information on the council's activities, see DWD's webpage for the [unemployment insurance advisory council](#).

¹⁴ Sections [108.17](#) and [108.18](#), Stats.

¹⁵ Sections [108.15](#) and [108.151](#), Stats.