

## **ALERT -- Holiday – Vacation -- Plant Shut down -- ALERT**

Effective in July of 2011, the rules for unemployment compensation eligibility for employees who are off for vacation, shut down or are on-call employees changed. This affects holiday plant shutdown and vacation, a common practice in parts of the manufacturing industry, in particular. The changes made by House Enrolled Act 1450 of the 2011 session of the General Assembly make these specific changes. Some of them require your action in order to enforce these disqualifications for benefits.

1. If employees are on-call and paid they are not unemployed and thus not eligible. IC 22-4-3-3.
2. If an employee is on a paid vacation and has been paid or will be paid for the week(s) of vacation the employee is not eligible to draw unemployment benefits. The employer has to give notice to the Department of Workforce Development of the vacation layoff. IC 22-4-3-4.
3. If the employee is on vacation and not paid due to the terms of a written contract of employment or the employers regular vacation policy or practice AND if the employee has reasonable reassurance of employment following the vacation period. The employer must give notice to the Department of Workforce Development in this of the vacation closing. IC 22-4-3-5.

When any of these three conditions are met, the employee(s) is not deemed to be unemployed and thus is not eligible for Unemployment Compensation Benefits for such weeks. The employer, however, bears a burden of notifying the Department of these vacations or shutdowns.

This alert is to let manufacturers know that the changes, in effect only last year at the Christmas and New Years Holidays, is in place and can affect your employees but requires your attention and action.

For further information contact IMA for answers.