

LEGAL MINUTE

NAVIGATING UNEMPLOYMENT INSURANCE REQUIREMENTS WITH REMOTE EMPLOYEES

Unemployment Insurance (UI) for a particular employee is typically determined by the state in which the employee performs the work.

Therefore, for example, if an employee lives in Illinois but commutes to physically work in Wisconsin every day, the employer needs to register with, pay into and comply with the Wisconsin UI system. However, if the same employee works from his or her home in Illinois for a company based in Wisconsin, the employer must register with the Illinois UI system, as the employee would be eligible for benefits in Illinois. For this reason, it is very important to maintain current, accurate information regarding employees' residential addresses—particularly in the case of remote employees.

Recommendations:

- Ensure that you have employees' current residential addresses, updating records annually, if not more frequently.
- Register with the appropriate UI department with any state where an employee performs work. A list of state unemployment insurance offices is available at https://www.dol.gov/general/topic/unemployment-insurance.

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