

How to Avoid Unemployment Claims (Part 1)



When business owners say they want to avoid unemployment claims, what they really mean is: “how do I avoid *having to pay out* unemployment claims?” There are actions employers can take to better their odds of winning the claim. However, it’s much more difficult without having laid the groundwork. Avoiding unemployment claims begins long before the claim ever hits your desk.

There are six proactive things employers should do to avoid unemployment claims:

1. Hire Smart
2. Set Clear Expectations
3. Follow Through on Your Policies
4. Resist Firing Employees Without Reasonable Warning
5. Communicate Often with Employees
6. Document, Document, Document

1. Hire Smart

Avoiding unemployment claims starts with having the right person in the right role at the right time. Hire only those workers you absolutely need and who are qualified for the position.

When you’re overwhelmed and need to fill a position fast, it’s tempting to hurry to get someone in. Hire in haste and you’ll often regret it!

- Workers who “just weren’t a good fit” are usually entitled to unemployment benefits
- Employees who tried their absolute best but didn’t have the ability or capacity for the job.
- Employees who are laid off due to lack of work are *always* entitled to benefits.

2. Set Clear Expectations

You can't fault an employee for not meeting your expectations if you weren't clear on what those expectations were.

That goes for job responsibilities, work behavior, performance standards, etc.

- Start with the hiring and onboarding process.
- Provide a detailed description of the new employee's role and expectations, and have it signed.
- Review the employee handbook to make sure the new hire understands workplace standards, policies and disciplinary procedures.
- If you need to put an employee on an improvement plan or progressive discipline plan, this process should set clear expectations.

Ensure steps are specific and actionable. "She needs to communicate better" is not actionable. Instead:

- For example: "Employee needs to complete this training course on email etiquette" is actionable.
- Make sure the consequences of not following through on the plan are clearly stated.
- If later employee must be terminated, you can show that he or she willfully and deliberately chose not to take the steps necessary to keep their job rather than not living up to a vague standard.



3. Follow Through on Your Policies

Too often, employers have a handbook only because they know they're supposed to. Policies become meaningless if employees see they are never enforced, or are enforced inconsistently. That spells trouble in an unemployment claim hearing. If you've written up and eventually dismissed an employee for a policy infraction that other employees "get away with" or

was previously overlooked, you might have a hard time proving your case. Follow through on your policies consistently.

Items 4 to 6 will be in Part 2 next month