

EMPLOYMENT LAW SUMMARY

California: Unemployment Compensation - Employee Eligibility



Because You're Different

California unemployment insurance (UI) benefits provide income to individuals who have lost work through no fault of their own. The program partially replaces wages lost by the employee if certain conditions are met. The California Unemployment Insurance Code (CUIC) requires most types of employers to make contributions to the state unemployment insurance fund (UI Fund). The CUIC prohibits employers from deducting their UI contribution costs from their employees' wages.

COVID-19 UPDATE: California has issued guidance regarding unemployment benefits during the coronavirus / COVID-19 outbreak. That guidance is available [here](#).

EMPLOYEE ELIGIBILITY FOR UNEMPLOYMENT BENEFITS

The California Employment Development Department (EDD) determines individual eligibility for benefits on a weekly basis. The EDD considers monetary and non-monetary eligibility criteria. To qualify for benefits, individuals must:

- Be totally or partially unemployed through no fault of their own;
- Have received enough wages during the base period to establish a claim;
- File an initial claim for benefits;
- Be physically able to, available for and actively seeking work; and
- After an initial one-week waiting period, file a claim form every two weeks (and maintain eligibility for each week for which benefits are claimed).

An employee's "base period" is a 12-month period of time, generally the first four of the last five completed calendar quarters prior to the beginning date of the UI claim. To establish a monetarily valid claim, an employee must have earned at least:

- \$1,300 in one quarter of his or her base period; or
- \$900 in his or her highest quarter and total base period earnings of 1.25 times his or her high quarter earnings.

EXEMPT EMPLOYMENT

Certain employees are not covered under the CUIC. As a result, these employees are not entitled to UI benefits. Employers are not required to report the wages of these employees and do not have to make contributions based on their wages. For unemployment insurance purposes, the term "employment" does not include:

- Domestic work in a private home, college club, fraternity or sorority unless the service is performed for cash payments of \$1,000 or more in any calendar quarter in the current or preceding calendar year;
- Trial or court transcribers;
- Work performed for a son, daughter or spouse, or by a child under 18 years of age in the employ of his or her parent;
- Work performed for the state or federal government;
- Intermittent or adjunct instructors at a postsecondary educational institution, under certain circumstances;
- Work performed by an inmate or person in the custody of a state prison, the Department of the Youth Authority or the Department of Corrections;

- Political campaign workers;
- Officers of a corporation who are the corporation's sole shareholder, or the only shareholder other than his or her spouse;
- Officers and directors of corporations engaged in agriculture who are shareholders of the corporation;
- Work performed for any tax-exempt organization where compensation is less than \$50;
- Work for a school, college or university by a student in regular attendance, or by the student's spouse if the spouse's employment is under a program of assistance to the student;
- Full-time students employed by an organized camp;
- Students over the age of 22 who are enrolled at a nonprofit or public educational institution in a full-time work-study program;
- Work for a foreign government or international organization;
- Student nurses or interns employed at a hospital or nurses' training school;
- Work performed for a hospital by a patient of the hospital;
- Work performed on or in connection with a foreign vessel or aircraft when outside of the U.S.;
- Part-time newsboys or news vendors under the age of 18;
- Licensed real estate, mineral, oil and gas or cemetery brokers who are not treated as employees for state tax purposes, if substantially all of the individual's compensation comes from sales rather than hours worked;
- Golf caddies;
- Professional athletes, including baseball players and free-lance jockeys or exercise boys; and
- Consulting work performed as an independent contractor.

Nonprofit organizations, Indian tribes and some government services also have limited employment situations that are exempt from coverage when performed in those industries. Employers engaged in these types of businesses should also inform themselves of these additional exemptions when calculating their liability for unemployment insurance payments.

DISQUALIFICATION

While an individual may make enough wages to establish a valid UI claim, he or she may still be disqualified from receiving UI benefits. The disqualification may prevent individuals from collecting benefits for specified periods of time or from collecting the full amount of regular benefits. Individuals are be disqualified from receiving UI benefits if they:

- Voluntarily quit without good cause in connection with work;
- Are discharged for misconduct in connection with work;
- Fail to accept a referral from the EDD or fail to accept suitable employment;
- Participate in a labor dispute other than a lockout;
- Receive alternative benefits (such as deductible retirement, temporary partial disability, any earnings equal to or more than the weekly benefit amount, vacation pay or holiday pay);
- File a fraudulent UI claim;
- Seek or receive UI benefits from another state or from a federal unemployment claim while also receiving benefits from California;
- Fail to reasonably search for available work; or
- Were self-employed, in certain circumstances.

APPEALS

If a UI claim is denied, the EDD will send a written Notice of Determination to the applicant. Interested parties have the right to appeal this decision within 20 calendar days of the mailing date of the decision. Late appeals are generally not allowed, but may be allowed in situations where a party can show good cause in a hearing for the late appeal. During an appeal, a party is allowed to have an attorney or any other representative of the party's choosing to represent him or her. Attorneys are not provided for these hearings.

MORE INFORMATION

For more information on unemployment compensation laws in California, visit the EDD website, or contact your Heffernan Insurance Brokers representative.

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