

Key Facts and Questions

► UST's History

For over 40 years, UST has been a leader in delivering tailored unemployment and workforce solutions to 501(c)(3) nonprofits, enabling them to cut costs and bolster their missions. As the largest unemployment trust in the nation, UST serves nearly 2,200 nonprofit members, collectively saving over \$38 million annually on unemployment claims.

UST's journey began in 1983 with a group of United Ways in California who opted to self-reimburse for unemployment claims instead of paying taxes, leading to the creation of a grantor trust. Today, UST supports nonprofits across all sectors in 49 states, providing not just financial savings but also expert HR support and claims administration. Owned by our nonprofit members, rather than a for-profit entity, UST empowers its members to protect their assets while benefiting from comprehensive services.

► Who is eligible?

Federal law allows 501(c)(3) organizations to opt out-of-state unemployment taxes and pay only when there's a claim. UST assists nonprofits with 10 or more employees to determine if this option suits them and helps with the necessary paperwork. UST also supports those already reimbursing by managing claims efficiently, building cash reserves, and providing HR support to simplify the process and reduce paperwork.

► How do you determine savings?

UST invites organizations to submit a free savings analysis form for more information. By reviewing your unemployment claim history, employee count, and tax rate (if not yet reimbursing), UST can project your savings for two years and a quarterly deposit amount. This helps ensure you have funds to cover your claims and build a reserve for future claims. UST will also recommend the best program solution for your organization.

► Why leave the state tax system for UST?

Nonprofits typically pay a tax when making quarterly UI contributions, with their funds pooled into a state fund for various claims. In contrast, UST treats deposits as assets in a reserve, investing contributions and providing the opportunity for refunds to eligible members. UST members proportionally share in the cost of managing the trust, the lowest cost in the industry, and offers set annual contributions to aid in budgeting. If claims are lower than expected, UST may reduce the annual contribution or refund part of the balance. If an organization exits the program, any remaining funds, after settling claims, are returned.

► What are the advantages for a reimbursing employer to join UST?

For organizations that have opted out of their state unemployment tax system to become reimbursing employers, UST offers invaluable support. It simplifies budgeting with pre-set annual rates, mitigating the unpredictability of paying 100% of claims billed each quarter. A sudden increase in claims could be financially disastrous, but UST provides Stop-Loss protection for such scenarios, covering claims even if the organization's account can't immediately handle the cost. This is done with the understanding that the organization will replenish its reserve through future contributions over the year.

Moreover, UST handles claims administration, helping nonprofits save an average of 18% annually on unemployment costs by contesting improper claims and charges. This service also alleviates the HR administrative burden. Participants in UST benefit from unlimited access to INTOO's outplacement and career transition services, which supports both separated employees and current employees who have a spouse or domestic partner seeking employment.

► What support is provided for HR?

UST partners with Equifax Workforce Solutions to offer members dedicated claims representatives who review unemployment claims and collaborate with HR to manage them effectively. Members benefit from an online course library for supervisors and employees, along with the dynamic CaseBuilder dashboard that simplifies claim management and reporting. Equifax audits all unemployment claims, ensuring accurate state charges, which helped UST members gain over \$2.5 million in state credits and avoid \$29 million in claims last year.

While the average U.S. claim cost is \$6,681, UST members see a lower average cost of \$5,000 thanks to expert claims management. Additionally, members have access to Mineral, which provides an HR hotline, a comprehensive library of HR templates and documents, and online courses for managers and employees.

► When can an organization enroll?

If your organization currently pays state unemployment taxes, you can opt out of the state system starting January 1 by notifying the state by November 30. This decision to reimburse for unemployment claims is typically a two-year commitment. Once you decide to join UST, we'll provide enrollment materials and handle state notifications. To ensure timely processing, submit completed materials at least two weeks before the state deadline. If you're already reimbursing, you can join UST at the start of any calendar quarter.

Find out more about UST Workforce Solutions
by calling (888) 249-4788 or email us at
info@chooseust.org.



(scan me)

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