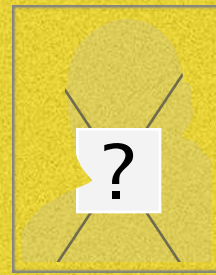


# THE EXTRA POINT

BY JERRY ROBERTS



## # 575 Strategies For Employment and Unemployment

That big pile of federal dollars earmarked for the folks adversely affected by the coronavirus is getting closer to becoming reality for Guam workers. I'm Jerry Roberts and today, we'll talk about what employees and employers ought to be thinking about...next on The Extra Point.

You may recall, a few weeks ago we had a long talk with Dave Dell'Isola, the director of Guam's Department of Labor, and that resulted in Extra Point #562, which you can download from our site, [guamtraining.com](http://guamtraining.com).

We got Dave back on the phone last night to get an update for today's episode, where I want to discuss some strategic talks that are taking place in many Guam businesses. These are conversations you may be having as well, or soon will.

Before we get to that let's mention that the earnings cap has changed for eligible people under the unemployment program. Initially, you qualified for benefits if you had weekly earnings of less than \$345.00.

The feds sweetened the deal by adding what they call an "earnings disregard" of \$150.00 per week, meaning you now are eligible for benefits if you earn less than \$495.00 per week. Your weekly benefit is determined by subtracting what you earn from \$495.00, and you get the difference as unemployment.

Further, if you earn at least \$1.00 in the basic unemployment benefits, you qualify for a second federal program that adds \$600.00 weekly, for 13 weeks. For people who are earning from minimum wage up to just over \$12.00 per hour, this is a sizable amount of money over their normal pay.

Unemployment rules state that the only people who will be paid benefits are those who have been impacted by the virus situation. They either lost their job, had hours reduced, or

applied for work, would have been hired, but weren't because of the economic downturn.

Okay, now for those conversations you may want to have. If your company is back to work or soon will be, you'll need workers and you'll be calling people back to their jobs. They're trained and know what to do, and that's good for your business. However, if they earn more than \$494.00 a week, it's not good for them for the reasons already mentioned. They'll be shut out of the unemployment program.

The 800-lb. elephant in the workplace is all this unemployment money the federal folks are dropping here. We're talking nearly a billion dollars worth and there could be more. Many of your workers will likely see this as their chance to finally get a little bit ahead, or to buy things they want and need.

Local businesses are counting on it. GovGuam and the feds are counting on it. This money is meant to roll around in the economy to help businesses and support jobs.

So, how do you balance the needs of the business with the needs — and desires — of your workers? Let's say you have two workers, Mary and Juan, who earned \$500.00 weekly before being laid off. You can't afford to bring back both. So you put Mary on the payroll and tell Juan you want him but he'll have to wait until the company is doing better.

Juan files for the unemployment and gets \$945.00 a week for the first 13 weeks, then \$345.00 per week for the next 26 weeks. Mary earns \$500.00 per week as she had before. She gets no additional benefits.

My guess is that Mary won't be as happy as Juan. How else could we have done this?

(Con't.)



What if we had offered part-time hours to both Mary and Juan? Let's say each earned \$250.00 weekly. Both would qualify for \$95.00 in basic unemployment, plus would get the \$600.00 in added benefits for the first 13 weeks. When you total up earnings from the job, plus both ends of the unemployment compensation, now Mary and Juan each earn \$945.00 per week.

There's the win-win. The company's needs are covered, as well as allowing the workers to gain as much of the stimulus money as possible.

A couple of people have told me they feel it's wrong for people who were earning, say, the minimum wage, to all of a sudden get the equivalent of almost \$24.00 per hour for not working.

The key word there is *stimulus*. The government wants this money spent and to circulate in the economy. That's why they're handing it out. They want you to have it and use it.

Employers have to decide how many workers they need and how much they can afford to pay. Then, why not split those jobs up so more people can work some hours, and pick up the unemployment benefits as well?

Now let me add something else to the mix. We have spoken before about the dignity of work. Earning a paycheck for delivering agreed upon value to an employer is a basic component of self-esteem for most human beings. A big box gets checked off in our brain when we get paid for delivering a service. We're then a productive member of the community. We contribute to the economy.

Call me crazy but if I had the choice to get paid the same amount to work as I'd get to stay home and do nothing, I'd choose to work — and I don't think I'm nearly alone in that.

I think splitting jobs and keeping more people on

the payroll, more people connected to a job that can energize them and make them feel a part of something valuable, is the best possible answer to this situation.

There are other issues here as well. Will moving from full-time to part-time have an impact on a worker's employee benefits? You have to ask your HR department.

My suggestion is to talk these issues over with your team and come up with a plan that will work best for the company and employees alike.

One more thing for now. Unemployment benefits are taxable. Take a chunk of that money and put it away for your 2020 taxes.

Mr. Dell'Isola told me DOL is getting closer to unveiling the program, but often the last few steps are the hardest. Software isn't easy to deal with and they want to get it right the first time. They're hoping for the end of May.

Let me add my own take to this. I've been a part of an organization that was on the wrong end of a software package that didn't handle the critical tasks we were told it would. It wasn't pretty.

Tough as it is to wait this out, I'm inclined to want to give DOL the time they say they need in order to avoid a major problem later.

That's The Extra Point. Be responsible and make something good happen today. For 93.3 and the Ray Gibson Show, I'm Jerry Roberts.

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