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## **RFP Announcement**

**National Association of State Workforce Agencies (NASWA)  
Center for Employment Security Education and Research (CESER)  
Information Technology Support Center (ITSC)**

### **Request for Proposal -**

#### **Unemployment Insurance (UI) Claimant Informational Messages**

NASWA and CESER-ITSC is seeking to procure contract services from a vendor to create informational messages in audio, video, and text format for delivery by state Unemployment Insurance (UI) agencies to their claimants. The vendor will also analyze and document the reasons why large numbers of UI claimants fail to report their return to work date timely and accurately.

NASWA and CESER-ITSC is requesting vendors to submit detailed proposals, including task descriptions and pricing, for the services requested in the RFP documents below.

The RFP consists of the following documents:

- [Unemployment Insurance \(UI\) Claimant Informational Messages \(RFP\)](#)
  - Attachment A: Statement of Work
  - Attachment B: CESER General Contract Terms and Conditions
  - Attachment C: Job Dislocation, Making Smart Financial Choices after a Job Loss
  - Attachment D: Accessibility of State and Local Government Websites to People with Disabilities

**RFP Publication Date:** October 14, 2010

**Proposal Due Date:** November 30, 2010



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## **Request for Proposal (RFP)**

**For**

**Unemployment Insurance (UI) Claimant Messages**

**National Association of State Workforce Agencies (NASWA)  
Center for Employment Security Education and Research (CESER)  
Information Technology Support Center (ITSC)**

**Circulation Date:  
October 14, 2010**

**Proposal Submission Date:  
November 30, 2010**



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- A Statement of Work
B CESER General Contract Terms and Conditions
C Job Dislocation, Making Smart Financial Choices After a Job Loss
D “Accessibility of State and Local Government Websites to People With Disabilities”

CONFIDENTIAL INFORMATION: This Request for Proposal (“RFP”) contains confidential and proprietary information of NASWA and CESER-ITSC. This RFP and the information contained herein may be used, disclosed or reproduced only by the intended recipient of this RFP and only as required for the preparation of a proposal for the benefit of NASWA and CESER-ITSC.



## 1 Introduction

This document is a Request for Proposal (RFP) published by NASWA and CESER-ITSC in order to procure vendor contract services for the tasks and deliverables described herein.

### 1.1 Purpose of this RFP

NASWA and CESER-ITSC is seeking to procure vendor contract services to create informational messages for delivery by the states to Unemployment Insurance (UI) claimants in audio, video and text formats.

The messages created will be used by State UI agencies to inform claimants of their responsibilities in three key areas:

- 1) Reporting their return to work date.
- 2) Registering with the State Employment Service..
- 3) Remaining in contact with their State Employment Service during their period of unemployment.

In addition, the vendor will work in conjunction with four (4) or five (5) partner states to:

- 1) Survey UI claimants and work with partner state Subject Matter Experts (SMEs) to determine the reasons large numbers of UI claimants fail to report their return to work date timely and accurately.
- 2) Work with partner state SMEs to create wording to inform claimants of the importance of regular contact with state Employment Service during their period of unemployment.

NASWA and CESER-ITSC is requesting vendors to submit detailed proposals, including service descriptions and pricing, for the services described in accordance with the Statement of Work and Terms and Conditions of this RFP.



## 1.2 Background

This section contains background information on the project, the NASWA and CESER-ITSC organizations, and the UI Program in general.

### 1.2.1 Project Background

In fiscal year (FY) 2009, UI benefit overpayments totaled an estimated \$6.4 billion. On November 20, 2009, President Obama issued Executive Order 13520, which directs agencies to reduce improper payments by “intensifying efforts to eliminate payment error” in the major programs administered by federal agencies.

The leading cause of UI overpayments is claimants who have returned to work and continue to claim UI benefits. In FY 2009, these Benefit Year Earnings (BYE) overpayments totaled \$1.6 billion, which represented over 25 percent of all overpayments. Around one-third of BYE overpayments are caused when claimants return to work but continue to claim UI benefits until they receive their first paycheck - usually within two weeks. Providing the claimants with information that emphasizes that they are ineligible for UI benefits as soon as they return to work will prevent a significant part of these overpayments.

A second significant source of overpayments is the failure of claimants to register with their state Employment Service (ES) to receive reemployment services and job referrals. In general, unless a claimant has a definite recall date for his or her former employer or is exempt because of seasonal employment, union affiliation, or approved training, the claimant is required to be registered with the state ES. Failure to register with the ES accounted for nearly \$950 million in overpayments in FY 2009. Providing claimants with information on their registration requirement and instructions on how to register with the ES will prevent a significant part of these overpayments.

Recently, efforts have been made to expand the message delivery methods to communicate with UI claimants reminding them of their requirements and responsibilities while collecting UI benefits. Information reminding claimants that they are ineligible for UI payments as soon as they return to work and that they are required to register with their state Employment Service was incorporated into a financial advisory booklet developed for unemployed individuals by the Financial Industry Regulatory Authority (FINRA). The brochure entitled “Job Dislocation, Making Smart Financial



Choices after a Job Loss” was made available to all states for distribution to their UI claimants. For reference, a copy of the brochure is attached to this RFP.

This FINRA publication is one example of a non-traditional method for delivering important information to UI claimants on the rules and regulations of state UI systems. It is envisioned that the messages developed will encompass appropriate wording for delivery to claimants as part of the new claim and bi-weekly claim filing process over the internet or through a telephone call center system with agents or IVRs. The messages also will be incorporated into general UI program correspondence, posted on state UI websites, made available in hard copy in state offices, and mailed or otherwise distributed to UI claimants.

### 1.2.2 Organization Background

NASWA is an organization of state administrators of UI laws, employment services, training programs, employment statistics, labor market information, and other programs and services provided through the publicly-funded state workforce system. The mission of NASWA is to serve as an advocate for state workforce agencies, as a liaison to workforce system partners, and as a forum for the exchange of information. Founded in 1937, NASWA has been a private, non-profit corporation since 1973, financed by annual dues from our member agencies and other sources of revenue.

CESER is an education and research center focused on workforce development and UI issues; its website is: <http://naswa.org/>. ITSC is an organization within CESER established in 1994 as a national resource by the USDOL to assist all state UI agencies in the area of UI Information Technology (IT); its website is: <http://itsc.org/>.

### 1.2.3 Overview – Unemployment Insurance

The Office of Unemployment Insurance (OUI), Employment and Training Administration (ETA), U.S. Department of Labor (USDOL) is responsible for:

- 1) Providing leadership, direction and assistance to state workforce agencies in the implementation and administration of state UI programs.
- 2) Providing oversight, guidance, and technical assistance for the Federal-State unemployment compensation system.
- 3) Providing budget and legislative support to state workforce agencies to administer their UI programs and assist individuals to return quickly to suitable work.



#### Federal-State UI Program:

In general, the Federal-State UI Program provides UI benefits to eligible workers who are unemployed through no fault of their own (as determined under state law), and meet other eligibility requirements of state law. UI payments (benefits) are intended to provide temporary and partial wage replacement to unemployed workers who meet the requirements of state law.

UI is jointly financed through federal and state employer payroll taxes (federal/state UI taxes). Usually employers must pay both state and federal unemployment taxes if (1) they pay wages to employees totaling \$1,500, or more, in any quarter of a calendar year; or, (2) they had at least one employee during any day of a week during 20 weeks in a calendar year, regardless of whether or not the weeks were consecutive.

The states play a major role in the UI Program, in particular:

- 1) Each State administers a separate UI program within guidelines established by Federal law.
- 2) Eligibility for UI, benefit amounts and the length of time benefits are available are determined by the State law under which UI claims are established.
- 3) In the majority of States, benefit funding is based solely on a tax imposed on employers. (Three (3) States require minimal employee contributions.)
- 4) It should be noted that some state laws differ from the federal law.

When an individual desires to obtain UI benefit, the individual must file a claim with the state. The state will then determine the claimant's eligibility, and, if the claimant is eligible, provide benefits to the claimant.

#### Eligibility:

Individuals must meet the state requirements for wages earned or time worked during an established period of time referred to as a "base period". (In most states, this is usually the first four out of the last five completed calendar quarters prior to the time that the claim is filed.)

Individuals must be determined to be unemployed through no fault of their own (determined under State law), and meet other eligibility requirements of state law.



### Benefits:

In general, benefits are based on a percentage of an individual's earnings over a recent 52-week period up to a state maximum amount.

- 1) Benefits can be paid for a maximum of 26 weeks in most states.
- 2) Additional weeks of benefits may be available during times of high unemployment.
- 3) Some states provide additional benefits for specific purposes.

### Filing a Claim:

Individuals can contact their respective state UI Agency as soon as possible after becoming unemployed to begin the claim filing process. Generally, a claim may be filed by telephone or over the Internet. Individuals can obtain assistance filing claims in local career one-stop centers.

### Weekly Claim Certification:

Once it is determined that a claimant is eligible for UI benefits, the claimant must certify on a weekly or bi-weekly basis (depending on state procedures) that he/she is still unemployed and continues to meet eligibility requirements.

The following is an example business process flow. (Business process flows may vary from state to state.)

- 1) On a weekly/bi-weekly basis, the claimant will contact the local office by phone or internet to file for continued benefits.
  - a) The claimant's identity is verified for security
  - b) The system verifies that the claimant is in active claim status and has a balance of funds available.
- 2) The claimant will answer a series of questions to determine if he/she is eligible for benefits for the week of unemployment claimed:
  - a) Is the claimant able and available for work?
  - b) Did the claimant look for work? (Names and addresses of contacts made may be required.)
  - c) Did the claimant refuse work offered?



- d) Did the claimant return to work?
  - e) Did the claimant earn wages during the week? What is the amount of gross wages earned? Is the claimant still working? Is work still available? (Name and address of the employer may be required.)
- 3) Based on the claimant's responses to the questions asked on the weekly claim certification, eligibility for payment of benefits is determined, and if applicable, a benefit amount is calculated based on the claimant's weekly benefit amount (established as [part of the monetary determination process] and wages reported by the claimant.

For more information on the Federal-State UI Program please refer to:

<http://workforcesecurity.doleta.gov/unemploy/uifactsheet.asp>

## **2 General Conditions**

This RFP is not an offer to contract. Acceptance of a response neither commits CESER-ITSC to award a contract to any vendor, even if all requirements stated in this RFP are met, nor limits our right to negotiate in our best interest. CESER-ITSC reserves the right to contract with a vendor for reasons other than lowest price.

Respondents must address all sections of this RFP.

Failure to answer any question in this RFP may subject the response to disqualification. Failure to meet a qualification or requirement will not necessarily subject a response to disqualification.

### **2.1 Valid Period of Offer**

The pricing, terms, and conditions stated in your response must remain valid for 90 days from the date of delivery of the response to CESER-ITSC.

### **2.2 Confidentiality/Non-Disclosure**

Please refer to Attachment B – Terms and Conditions, Item #16.



## 2.3 Right of Rejection

CESER-ITSC reserves the right to accept or reject any or all responses to this RFP and to enter into discussions and/or negotiations with one or more qualified vendors at the same time, if such action is in the best interest of CESER-ITSC.

## 2.4 RFP Offer

CESER-ITSC reserves the option to request services based on the terms proposed in the response, from one or more selected vendors. Therefore, vendors are cautioned to submit your lowest price and best terms in response to this RFP.

## 2.5 Cost of Proposal

Expenses incurred in the preparation of responses to this RFP are the vendor's sole responsibility, regardless of whether or not the vendor is successful in receiving a contract as a result of responding to this RFP.

## 2.6 Assumptions

The selected vendor is not expected to be an expert in UI. The states, ITSC and USDOL OUI shall provide the subject matter expertise for this project.

It is assumed that the vendor, and/or its subcontractors, will have expertise in:

- 1) The creation and delivery of communications materials for consumption by the general public, using a variety of modern delivery mechanisms, including, but not limited to, flyers, notices, papers, articles, videos, and audio presentations.
- 2) Market Research for the creation of questions used when interviewing partner states' subject matter experts (SMEs).



### 3 Proposal Instructions and Time Frames

This section contains instructions governing the response to be submitted.

#### 3.1 Proposal Delivery

Submit one electronic copy of your proposal via email, OR mail one hard copy, to Joseph Vitale, ITSC Director.

Hard copy proposals must be mailed to:

Information Technology Support Center/CESER  
50 F Street NW, Suite 5200  
Washington, DC 20001

Electronic submissions must be in PDF format and be emailed to:

[Joe.Vitale@itsc.org](mailto:Joe.Vitale@itsc.org)

Proposals must be received by CESER-ITSC by **5:00 p.m. ET on November 30, 2010.**

CESER-ITSC will acknowledge by email all proposals received prior to 5:00 p.m. ET on the close date. It is solely the vendor's responsibility to ensure CESER-ITSC receives their proposal. If the vendor does not receive an acknowledgment from CESER-ITSC, then CESER-ITSC has not received the proposal. If a vendor has attempted to submit a proposal but has not received an acknowledgment, the vendor must contact CESER-ITSC prior to 5:00 p.m. ET on the close date and ensure that a subsequent submission to CESER-ITSC is successful and an acknowledgment is received by them. CESER-ITSC will not accept proposals after 5:00 p.m. ET on the close date.



### 3.2 RFP Questions

Questions and clarification on the Project Proposal or on the General Contract Provisions should be addressed to:

Joseph Vitale, Director ITSC  
Information Technology Support Center/CESER  
50 F Street NW, Suite 5200  
Washington, DC 20001  
(202) 347-9150  
[Joe.Vitale@itsc.org](mailto:Joe.Vitale@itsc.org)

Questions received on or before **November 12, 2010** will be answered by CESER-ITSC. A summary of all vendor questions and answers will also be published on the NASWA and ITSC websites. Only written answers are binding. Oral answers are non-binding. No further questions will be accepted after **November 12, 2010**.

### 3.3 Schedule of Events

The following table details the schedule of events in the proposal process.

Schedule of Events	
Event	Date
RFP Publication	October 14, 2010
Vendor Questions Deadline	November 12, 2010
Proposal Submission Close Date	November 30, 2010
Proposal Review and Evaluation Completion	January 7, 2011
Contract Award	January 14, 2011
Contract Made Final with Vendor	January 28, 2011
Anticipated Project Start Date	February 14, 2011



## 4 Proposal Preparation

This section provides specific instructions on preparing the vendor response.

### 4.1 General Preparation

When responding to this RFP, the vendor shall:

- 1) Follow the response outline in Section 1.5.2. For each response, identify the RFP item to which you are responding. It is required that all vendors respond to each section in the order as specified in the outline.
- 2) Number pages consecutively within a section using section and page numbering (e.g., Page 3-30).

### 4.2 Required Response Outline

The following table details the required response outline and specifies the content of the response sections.

Required Response Outline		
Section Number	Section Title	Section Content
1	Executive Summary	Summarize the RFP response; limited to three pages
2	RFP Response	Describe the proposed solution and project management process
3	Terms and Conditions	Response to Attachment B
4	Pricing	Response to Section 4
5	Additional Information	As vendor deems appropriate



### 4.3 Evaluation criteria

The following criteria will be used to evaluate vendor proposals in the awarding of this contract:

- 1) Adherence to RFP Instructions.
- 2) Overall Quality of Proposal.
- 3) Company Information, including (but not limited to);
  - a) Size of company.
  - b) Length of time in business.
  - c) Experience with similar projects.
  - d) Team skill-sets.
  - e) Resumes of project leads.
  - f) Whether sub-contractors are proposed for use on this project.
- 4) Solution, including (but not limited to);
  - a) Project Understanding and Solution, Vision.
  - b) Functional and non-functional Deliverables.
  - c) Vendor demonstrations of past projects and/or client references.
  - d) Cost Summary.
    - i. Itemized breakdown of all direct and indirect costs;
      - FTE's by skill set needed for the project.
      - Hourly rate and the total hours by skill set.
- 5) Project Management, including (but not limited to);
  - a) Project management plan.
  - b) Project schedule showing Initiate/Plan/Execute/Monitor-Control/Close stages.
  - c) Project status reports that will be provided to the CESER-ITSC project manager.

## 5 Statement of Work

Please see Attachment A for the Statement of Work. The proposal, created in response to the Statement of Work, should include a detailed description indicating how the requirements expressed in each task and deliverable will be accomplished by the vendor. If any task or deliverable cannot be fulfilled, a full explanation must be given, and if appropriate, an alternative solution should be proposed.



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*CESER-ITSC is interested in your ideas and specifically your approach to achieving the desired project goals and objectives outlined in this RFP and the Statement of Work. Vendors are encouraged to consider and propose alternative solutions and recommendations.*

## **6 Terms and Conditions**

Vendors should address the CESER-ITSC Fixed Price Terms and Conditions for Professional Services shown in Attachment B.

## **7 Proposal Pricing**

Vendor price proposal shall be for a fixed price deliverables based contract. The price quoted shall be all-inclusive. Finalized project deliverables, deliverables acceptance criteria and payment schedule shall be agreed to with the selected vendor upon contract award.

The vendor shall provide the itemized cost for each deliverable specified in Attachment A, together with a breakdown of the costs for the staffing resources proposed by skill set and hours per skill set. The vendor shall also provide cost and staffing breakdown for any alternative or additional deliverables proposed.

## **8 Additional Information**

The vendor may include any additional information that may aid CESER-ITSC in its review process.



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## **Statement of Work - RFP Attachment A**

**For**

**Unemployment Insurance (UI) Claimant Messages**

**National Association of State Workforce Agencies (NASWA)  
Center for Employment Security Education and Research (CESER)  
Information Technology Support Center (ITSC)**

**Circulation Date:  
October 14, 2010**

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## 1 Introduction

This Statement of Work describes the project goals, tasks, deliverables, and the period of performance for the Unemployment Insurance (UI) Claimant Information Messages project.

## 2 General and Desired Project Goals

The goals of this project are:

- 1) To reduce overpayments resulting from claimants failing to report an accurate return to work date.
- 2) To increase the number of claimants registering with the State Employment Service and using services provided throughout their period of unemployment.

## 3 Task Descriptions and Deliverables

It is intended that the project goals shall be met by completion of the tasks and deliverables described in this section, or by alternatives recommended by the vendor.

The vendor shall work with state Subject Matter Experts (SMEs) who will provide the business knowledge required to complete each deliverable.

Constraint: 4 or 5 states (maximum) must be identified by CESER-ITSC before the project tasks and deliverables can be accomplished.

### **Task 1 – Establish and Document Reasons for Claimants Continuing to File For UI Benefits Following Their Return to Work**

The vendor shall document the reasons large numbers of UI Claimants continue to file for UI Benefits for one to two weeks following their return to work. In this task:

- 1) The vendor shall work with partner state SMEs, examine claimant case files, and survey claimants to establish the reasons claimants continue to file for UI Benefits for one to two weeks after returning to work.



- 2) The vendor shall work with the partner state SMEs to determine which reasons are cited most frequently, and document the reasons in the “Return to Work Analysis Report”.

Note: Task 1 should be scheduled prior to Task 2 and Task 3 since the results may influence the choice of wordings in Task 2.

**Task 1 Deliverables:**

- 1) “Return to Work Analysis Report”. This document shall:
  - a) Provide analysis of all data collected from partner state SMEs and claimant surveys.
  - b) Make recommendations for claimant messages to reduce the occurrence of claimants filing for UI benefits after they have returned to work.
  - c) Include all source data.

**Task 2: Claimant Messages – Develop “Message Guide for States”**

The vendor shall work with state SME resources to create a “Message Guide for States” document. The “Message Guide for States” will contain all proposed wordings, delivery mechanisms, and their recommended placement in the UI business process.

It is expected that several different wordings will be created for each message group. The following criteria must be considered when proposing wording for each message:

- 1) The Message Group- There are three message groups that must be created:

Message Group A - Messages in this group shall convey:

The claimant must report the first day of work and any earnings for the week employment began.

Message Group B - Messages in this group shall convey::

Unless exempt by state law or policy, the claimant is required to register with the state employment service when they file a claim for UI benefits.

Message Group C - Messages in this group shall convey:



The claimant is encouraged to maintain contact with the State Employment Service to obtain the maximum available assistance in their employment search.

- 2) The place in the UI business process where the message is delivered:  
The vendor is required to consider appropriate wording for all situations, including the following:
  - a) A claimant is filing an initial claim to establish monetary eligibility for benefits.
  - b) A claimant is filing a continued claim for benefits.
  - c) A claimant is contacting a One-Stop Career Center for information on UI benefits or employment services.
  - d) A claimant is viewing informational pages on State UI websites.
  - e) On correspondence that is mailed to claimants.
  
- 3) The delivery mechanism used for the message (audio, video, written communication):
  - a) The vendor shall recommend the most appropriate delivery mechanism (audio, video, or written communication) for each message proposed. The vendor shall work with state SME resources to determine where in the UI business process each message delivery mechanism should be incorporated
  - b) Depending upon the delivery mechanism used, the wording may differ. For example, it is anticipated that the wording and explanation provided in a brief video may be longer and more expansive than wording recorded on state UI Interactive Voice Response (IVR) Systems.
  
- 4) The delivery source of the message – (UI, or non-UI agency):
  - a) The vendor shall work with the state SMEs to identify if there are other agencies that may distribute claimant messages, and include these in the analysis, as needed.
  - b) Wording of messages may differ if they are delivered from a non-UI agency.

**Task 2 Deliverables:**

- 1) “Message Guide for States”. This document includes:



- a) Wordings for each proposed message. Each message shall:
  - i. Be provided in English and Spanish.
  - ii. Be generic enough to be used by every state without modification.
  
- b) Proposed delivery mechanisms for each individual message, including identification of the systems on which the messages may be hosted. Examples may include:
  - i. State UI web site and web based claims systems.
  - ii. State telephone UI claims filing system (including IVR).
  - iii. State claims forms and other printed correspondence.
  - iv. Email to claimants.
  - v. Text Messages.
  - vi. YouTube.
  - vii. Facebook.
  - viii. Others suggested by vendor.
  
- c) Proposed places in the UI business process where claimant messages will be delivered. The document shall include diagrams to illustrate context, as appropriate.

### **Task 3: Claimant Messages – Implementation of Messages**

The vendor shall produce audio messages, video messages and/or written communications for all wordings and delivery mechanisms identified and specified in the “Message Guide for States”.

The vendor will not host the messages. The messages, in video, audio or written communication format will be provided to CESER-ITSC. CESER-ITSC will host the messages on its web site, where they are accessible to states.

#### **Task 3 Deliverables:**

- 1) Message Products. Each message shall be produced in English and Spanish, using a file format appropriate for its delivery mechanism.
  - a) Appropriate formats include, but are not necessarily limited to: .doc; .pdf; .html; .wav; or .mp4.

### **Task 4: Claimant Messages - Technical Assistance and Orientation**



The vendor will provide two “webinar” training presentations to all states interested in utilizing the messages. Note: Webinars will be recorded and housed on the ITSC website for viewing by staff at any time.

**Task 4 Deliverables:**

- 1) Training Presentation. This shall be in the form of a webinar, with a one hour maximum duration. The presentation shall be given twice to offer state representatives the most convenient session in which to participate.
- 2) Training Presentation Recordings. This shall be recordings of the two webinars for re-use by CESER-ITSC. It is acceptable for each webinar to be recorded solely in English. A written transcript of the questions asked and answers given during both webinar sessions shall be provided by the vendor.

**Task 5 – Project Management**

The vendor shall create a project management plan and a comprehensive project schedule. The CESER-ITSC Project Manager will provide vendor oversight and overall project management, including coordination between the vendor, partner states and USDOL. The vendor shall be responsible for:

- 1) The immediate escalation of any project issues to the CESER-ITSC Project Manager for prompt resolution.
- 2) Ensuring all agreed to project deliverables are met per the agreed to project schedule.

**Task 5 Deliverables:**

- 1) Project Management Plan. The project management plan shall:
  - a) Detail how the vendor manages all aspects of the project, under the oversight of the ITSC Project Manager. The project management plan shall address quality assurance, communications, schedule, costs, scope, issues, risks, and action items. The vendor shall include a collaborative approach to project deliverable development and review with the CESER-ITSC Project Manager.



2) Project Schedule.

The project schedule shall:

- a) Detail all deliverables, activities, resources, constraints and dependencies.
- b) Include vendor and state SME activities.
- c) Allow for tasks to be performed in a collaborative fashion with the state SMEs.
- d) Allow for each deliverable to be provided in draft form prior to final delivery. The vendor shall allow appropriate time for state and CESER-ITSC review. The vendor shall address all state and CESER-ITSC comments for each deliverable.
- e) Be agreed to within 10 business days of contract signing.

3) Weekly Project Status Report.

This shall include vendor schedule update, budget report, achievements, issues and risks, together with issue resolution recommendations and risk mitigation.



#### 4 Project Deliverables Summary Table

Table 1 summarizes the deliverables for this project. Each deliverable is identified by a task number (see Task Descriptions above).

Table 1. Project Deliverables Summary Table

Deliverable ID	Deliverable Name	Product	Audience
Task 1: Deliverable 1	“Return to Work Analysis Report”	Document	CESER-ITSC, State, and USDOL Management
Task 2: Deliverable 1	“Message Guide for States”	Document	CESER-ITSC, State, and USDOL Management
Task 3: Deliverable 1	Message Products	Video and Audio Recordings, Text-based Messages	CESER-ITSC, State, and USDOL Management
Task 4: Deliverable 1	Training Presentation	Webinar Presentation	State Management and Technical Staff
Task 4: Deliverable 2	Training Presentation Recordings	Recordings of Webinar Presentation	State Management and Technical Staff
Task 5: Deliverable 1	Project Management Plan	Document	CESER-ITSC, State, and USDOL Management
Task 5: Deliverable 2	Project Schedule	Document	CESER-ITSC, State, and USDOL Management
Task 5: Deliverable 3	Weekly Project Status Report	Document	CESER-ITSC, State, and USDOL Management

All deliverables will meet ADA Accessibility of State and Local Government Websites to People with Disabilities, per the following: [http://www.ada.gov/websites2\\_prnt.pdf](http://www.ada.gov/websites2_prnt.pdf)

#### 5 Period of Performance

The project will start on February 14, 2011 and will be completed by August 31, 2011.



*Center for Employment Security Education and Research*  
*444 North Capitol St. NW, Suite 142*  
*Washington, DC 20001*

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## **CESER General Contract Terms and Conditions**

### **Table of Contents** **For Attachment B**

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**Attachment B**  
**CESER General Contract Terms and Conditions**

## **1. Definitions**

A. *Agreement* shall mean the Master Agreement entered into between Contractor and CESER, including the Scope of Work, these General Terms and Conditions, and any other attachments and exhibits.

B. *Services* shall mean those services Contractor is to provide pursuant to the Agreement, including any Scope of Work.

C. *Work* shall mean all work, deliverables, documents, data, goods, and other materials produced, developed, collected, or authored by Contractor pursuant to the Agreement.

D. *Concerned Funding Agency* means any third party entity providing funding, in whole or in part, related to the Agreement.

## **2. Relationship**

The Contractor is an independent contractor, and the relationship between CESER and the Contractor shall be solely contractual and not in the nature of a partnership, joint venture, or general agency. Neither party may speak nor act on behalf of the other, nor legally commit the other.

## **3. Arbitration and applicable law**

Any controversy or claim arising out of or relating to this Contract or breach thereof shall be settled by arbitration to be held in the District of Columbia. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. This Contract will be governed by the laws of the District of Columbia.

## **4. Assignment and Subcontracting**



This Contract or any interest hereunder shall not be assigned or transferred by the Contractor without prior written consent of CESER and is subject to such terms and conditions that CESER may impose.

## **5. Financial Record Keeping and Inspection**

The Contractor warrants that it shall, during the term of the Agreement and for a period of three (3) years following the termination or expiration of the Agreement, maintain accurate and complete financial records, including accounts, books, and other records related to charges, costs, disbursements, and expenses, in accordance with generally accepted accounting principles and practices, consistently applied.

CESER, directly or through its authorized agents, auditors or other independent accounting firm, at its own expense, and the Concerned Funding Agency directly or through its duly authorized representatives, shall have the right, from time to time, upon at least ten (10) days notice, to audit, inspect, and copy the Contractor's records. The Contractor shall fully cooperate, including by making available such of its personnel, records and facilities as are reasonably requested by CESER or the Concerned Funding Agency. This Section shall remain in force during the term of the Agreement and for the three (3) years following the termination or expiration of the Agreement. If an audit, litigation, or other action involving the records is started before the end of the three (3) year period, Contractor agrees to maintain the records until the end of the three (3) year period or until the audit, litigation, or other action is completed, whichever is later.

## **6. Audit**

The Contractor, at its own expense, shall meet the applicable audit requirements of OMB Circular A-133 if the Contractor has more than \$500,000 in expenditures in a year in awards (including contracts, grants, cooperative agreements, etc.) made by a federal agency. The Contractor must submit a copy of its A-133 audit report, prepared by an independent certified public accounting firm, to the attention of Chief Financial Officer, Center for Employment Security Education and Research, 444 North Capitol Street, N.W., Suite 142, Washington, D.C. 20001 within 30 days of its receipt of the audit report. In instances where non-compliance with federal laws and regulations has been noted in the Contractor's audit report, the Contractor must outline in writing its plan for corrective action and must affirmatively respond to CESER when its corrective action plan has been successfully completed.

Contractor shall keep audit reports, including reports of any of its sub-subcontractors, on file for three (3) years from their issuance. Contractor shall permit independent auditors to have access to the records and financial statements as necessary for CESER and Contractor to comply with OMB Circular A-133.



Contractor agrees that in the event that Contractor's audit report indicates instances of noncompliance with federal laws and regulations, including but not limited to OMB Circular A-133, that Contractor covenants and agrees to take any and all corrective actions necessary or required or as directed by CESER.

Contractor agrees to provide audits annually.

In the event that audits are not received, CESER may, in its discretion,

- a) withhold a percentage of the sums due and owing hereunder until the audit is completed satisfactorily;
- b) withhold or disallow overhead charges; or
- c) suspend this Contract until the audit is completed and all required reports are provided.

The Contractor shall hold harmless, indemnify and defend CESER and the Concerned Funding Agency or agencies, their consultants and each of their officers, partners, agents and employees from any and all liability, claims, losses, (including but not limited to the loss or threatened loss of tax exempt status), costs, fees, expenses, penalties, damages and/or obligations including but not limited to the costs of defense of such claims, attorney's and audit fees arising out of the failure to provide such audit reports. The Contractor shall include the provisions of this Section 15 in any subcontract executed in connection with this Project.

## **7. Allowable Costs**

Allowable costs shall be determined in accordance with applicable Office of Management and Budget Circulars A-21, A-87, A-102, A-110, A-122, and A-133 as well as by the terms of the agreement between CESER and the Concerned Funding Agency, and any rules of, or guidelines issued by, the Concerned Funding Agency. The Contractor is responsible for reimbursing CESER in a timely and prompt manner for any payment made under this subcontract which is subsequently determined to be unallowable by CESER, the Concerned Funding Agency, or other appropriate Federal or State officials.

## **8. Right to Disseminate**

Unless otherwise expressly set forth to the contrary in the Contract, CESER shall have the right to use and have used, for any purpose, unpatented information concerning the services performed by the Contractor which the Contractor may disclose to CESER during performance of this Contract if such information is furnished without restrictions on its use.



## **9. Remedies**

The Contractor acknowledges that monetary damages alone will not adequately compensate CESER in the event of a breach by the Contractor of the restrictions imposed and therefore the Contractor hereby agrees that in addition to all remedies available to CESER at law or in equity, including, if applicable, under the District of Columbia Trade Secrets Act, or corresponding applicable State law, CESER shall be entitled to interim restraints and permanent injunctive relief for enforcement thereof, and to an accounting and payment over of all receipts realized by the Contractor as a result of such breach.

## **10. Ownership Rights**

The services provided by the Contractor pursuant to the Agreement shall be “work for hire” and therefore all Work shall be sole and exclusive property of CESER. To the extent that the Services, or any part of them, may not constitute work for hire under the law, Contractor hereby transfers to CESER all right, title, and interest in and to the Work. Without limiting the foregoing, CESER shall have access to the Work at any time during the term of the Agreement.

## **11. Personnel**

Any personnel identified in the Agreement as individuals who will be performing the Services or producing the Work may not be changed without the written approval of CESER.

## **12. Modification of the Contract**

The Agreement may not be modified except by further written agreement signed by the parties.

## **13. Excusable Delays**

The Contractor shall not be liable for damages, including liquidated damages, if any, for delays in performance or failure to perform due to causes beyond the control and without fault or negligence of the Contractor. Such causes include but are not limited to, acts of God, acts of the public enemy, acts of the United States Government,



fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather.

## **14. Inspection of Services**

A. All services shall be subject to inspection by CESER, to the extent practicable at all times and places during the Contract. All inspections by CESER shall be made in such manner as not to unduly delay the work.

B. If any services performed hereunder are not in conformity with the requirements of this Contract, CESER shall have the right to require the Contractor to perform the services again in conformity with the requirements of the Contract, at no additional expense to CESER. When the defective services performed are of such nature that the defect cannot be corrected by re-performance of the services, CESER shall have the right to: (1) require the Contractor to immediately take all steps necessary to ensure future performance of the services in conformity with the requirements of the Contract; and (2) reduce the Contract price to reflect the reduced value of the services performed. If the Contractor fails to perform promptly the services again or to take necessary steps to ensure future performance of the services in conformity with the requirements of the Contract, CESER shall have the right to either (a) by Contract or otherwise have the services performed in conformity with the Contract requirements and charge the Contractor any costs incurred by CESER that is directly related to the performance of such services; or (2) terminate this Contract.

## **15. Insurance Requirements**

The Contractor shall effect and maintain with a reputable insurance company a policy or policies of insurance providing an adequate level of coverage in respect of all risks which may be incurred by the Contractor, arising out of the Contractor's performance of the Agreement, in respect of death or personal injury, or loss of or damage to property. The Contractor shall produce to CESER, on request, copies of all insurance policies referred to in this condition or other evidence confirming the existence and extent of the coverage given by those policies, together with receipts or other evidence of payment of the latest premiums due under those policies.

## **16. Confidential Information**

Any information regarding CESER that is not generally publicly known or available, whether or not such information would constitute a trade secret under statutory or common law, that is disclosed to or discovered by the Contractor during the course of the Agreement (hereinafter, "Confidential Information") shall be considered confidential and proprietary to CESER, and the Contractor shall maintain all Confidential Information in confidence; shall employ reasonable efforts to ensure the security of the Confidential



Information; and shall not disclose the Confidential Information to any third party or use the Confidential Information except as necessary to perform the Services or produce the Work. Should the Contractor receive a subpoena directing disclosure of any Confidential Information, the Contractor shall immediately inform CESER and cooperate fully with CESER in responding to the subpoena.

## **17. Laws and ordinances**

The Contractor shall comply will all applicable laws, ordinances, rules and regulations including Federal, State, and Municipal authorities and departments relating to or affecting the work herein or any part thereof, and shall secure and obtain any and all permits, licenses and consents as may be necessary in connection therein.

## **18. Limitation of Liability**

Notwithstanding any other provision of the Agreement, under no circumstances shall the liability of CESER to the Contractor exceed to the total amount of compensation to be paid to the Contractor.

## **19. No waiver of conditions**

Failure of CESER to insist on strict performance shall not constitute a waiver of any of the provisions of this Contract or waiver of any other default of the Contractor.

## **20. Public release of information**

Unless the prior consent of CESER is obtained, the Contractor shall not, except as may be required by law or regulation, in any manner advertise or publish or release for publication any statement or information mentioning CESER, or the fact that the Contractor has furnished or contracted to furnish to CESER the services required by this Contract, or quote the opinion of any employee of CESER.

## **21. Taxes**

Unless prohibited by law or otherwise stated to the contrary to this contract, the Contractor shall pay and has not included in the price of this contract, any Federal, State or Local Sales Tax, Transportation Tax, or other similar levy which is required to be imposed upon the work or services to be performed.



## **22. Term and Termination**

The Agreement shall be for such term as is set forth in the Agreement. The Agreement may be terminated by CESER prior to the end of any term on fifteen (15) days written notice.

In addition, this Agreement may be terminated by either party on written notice should the other party: (a) fail to cure a material breach within ten (10) days of delivery of written notice; (b) become insolvent; (c) be the subject of a bankruptcy filing; or (d) cease doing business. Upon termination, the Contractor shall deliver to CESER: all Work, whether in final or draft form, that has been produced as of the date of termination; all Confidential Information; and any materials or items previously provided to the Contractor by CESER. Upon receipt thereof by CESER, the Contractor shall be paid for work performed through the date of termination. In all instances of terminations, the Contractor shall use best efforts to not incur new costs and expenses after the notice of termination, and shall cancel as many outstanding obligations as possible.

## **23. Warranty of Services**

The Contractor warrants and represents that: (a) the Services shall conform to the Scope of Services in all respects; (b) the Work shall be original to the Contractor and shall not infringe the copyright or other rights of any party; (c) the Contractor possesses, and shall employ, the resources necessary to perform the Services in conformance with the Agreement; (d) the Services shall be performed, and the Work produced, in accordance with high standards of expertise, quality, diligence, professionalism, integrity, and timeliness; and (e) the Contractor has no interest, relationship, or bias that could present a financial, philosophical, business, or other conflict with the performance of the Work or create a perception of a conflict or a lack of independence or objectivity in performing the Work.

## **24. Special Damages**

Neither party shall be liable to the other for consequential or indirect damages, including lost profits, or for punitive damages, arising from breach of the Agreement.

## **25. Concerned Funding Agency**

This Agreement is subject to the terms of any agreement between CESER and a Concerned Funding Agency and in particular may be terminated by CESER without



penalty or further obligation if the Concerned Funding Agency terminates, suspends or materially reduces its funding for any reason.

Additionally, the payment obligations of CESER under this Agreement are subject to the timely fulfillment by Concerned Funding Agency of its funding obligations to CESER.

## **26. Review and Coordination**

To insure adequate review and evaluation of the Services and Work, and proper coordination among interested parties, CESER shall be kept fully informed concerning the progress of the Work and Services to be performed hereunder, and, further, CESER may require the Contractor to meet with designated officials of CESER from time to time to review the same.

## **27. Entire Agreement**

The Agreement constitutes the entire agreement between the parties relating to the subject matter of the contract. The Agreement supersedes all prior negotiations, representations and undertakings, whether written or oral.

## **28. Flow down Provisions**

The Contractor agrees to assume, as to CESER, the same obligations and responsibilities that CESER assumes toward the Concerned Funding Agency under those Federal Acquisition Regulations (FAR), if any, and applicable Concerned Funding Agency acquisition regulations, if any, that are mandated by their own terms or other law or regulation to flow down to subcontractors or subgrantees, and therefore the Agreement incorporates by reference, and the Contractor is subject to, all such mandatory flow down clauses. Such clauses, however, shall not be construed as bestowing any rights or privileges on the Contractor beyond what is allowed by or provided for in the Agreement, or as limiting any rights or privileges of CESER otherwise allowed by or provided for in the Agreement. The Contractor also agrees to flow down these same provisions to any lower-tier subcontractors.

## **29. Compliance with Applicable Laws**

In addition to its general commitment to comply with all applicable laws, the Contractor specifically agrees to the following requirements, to the extent that such requirements are applicable:



A. to comply with the Civil Rights Act of 1964 and all other Federal, State or local laws, rules and orders prohibiting discrimination. Consistent with the foregoing, Contractor agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented by U.S. Department of Labor regulations at 41 C.F.R. Part 60;

B. to make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises in connection with the work performed hereunder, whenever possible;

C. to provide for the rights of the Federal Government in any invention resulting from the work performed hereunder, in accordance with 37 C.F.R. Part 401 and any applicable implementing regulations;

D. to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401 *et. seq.*) and the Federal Water Pollution Control Act (33 U.S.C. 1251 *et. seq.*), as amended;

E. to comply with the certification and disclosure requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), and any applicable implementing regulations, as may be applicable, including: 1) certification that Sub-Contractor has not, and will not, use Federal funds to pay any person or organization for influencing or attempting to influence an officer or employee of any Federal agency; a member, officer, or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352; and 2) disclosure of any lobbying with non-Federal funds that takes place in connection with obtaining a Federal award.

F. to certify that neither it, nor any of its principal employees, has been debarred or suspended from participation in Federally-funded contracts, in accordance with Executive Order 12549 and Executive Order 12689, entitled "Debarment and Suspension," and any applicable implementing regulations.

### **30. Indemnification**

Should one party (the "Indemnified Party") incur or suffer any liability, damage, or expense, including reasonable attorney's fees, in connection with the defense of a legal proceeding brought by a third party arising out of the negligent or other wrongful actions of the other party (the "Indemnifying Party"), then the Indemnifying Party shall indemnify and hold harmless the Indemnified Party for such liability, damage, or expense.

### **31. Survival**

Sections 3, 4, 9, 10, 16, 18, 20, 24, 30, and 31 shall survive termination of this the Agreement.

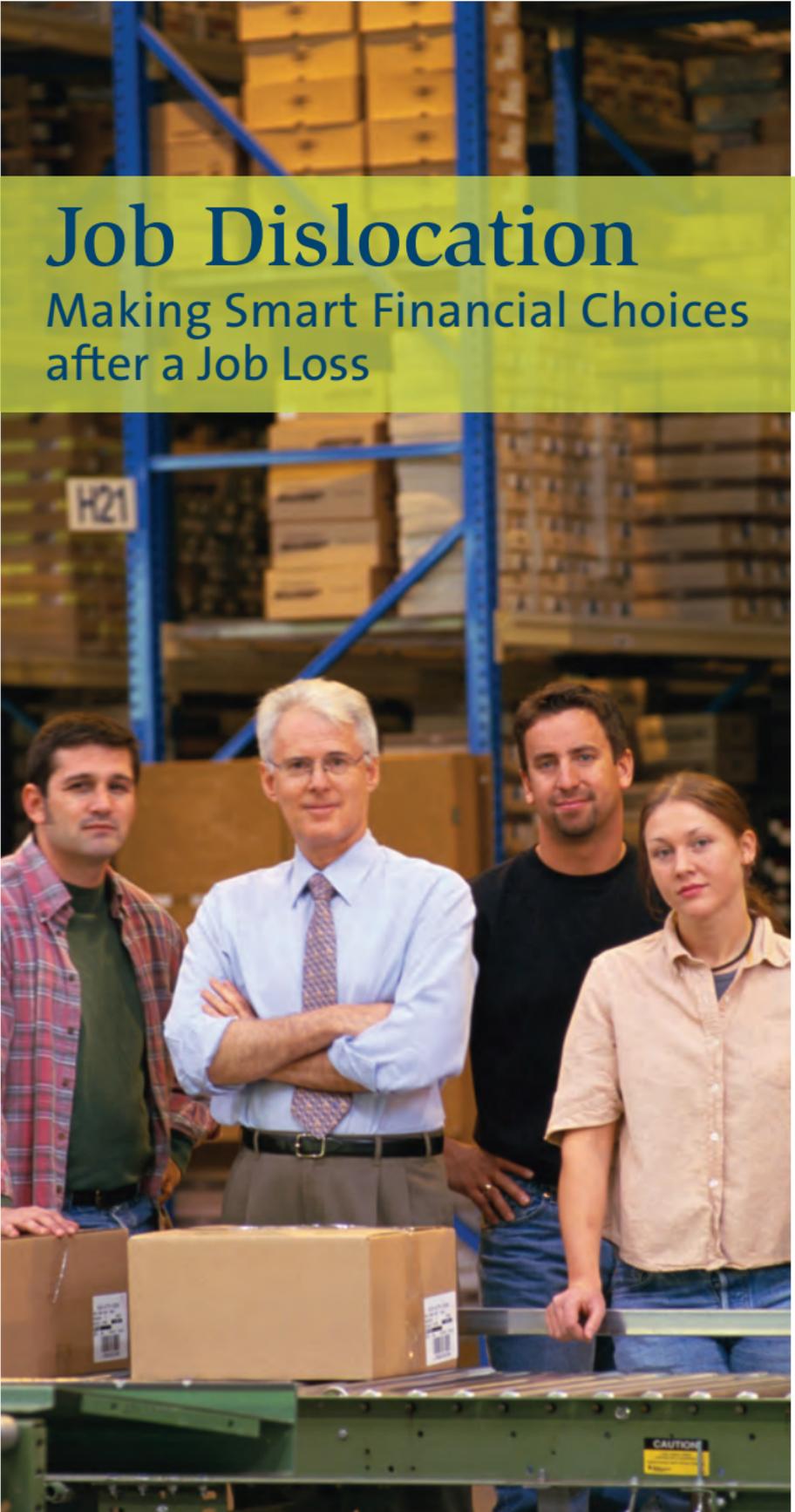




Financial Industry Regulatory Authority

# Job Dislocation

Making Smart Financial Choices  
after a Job Loss



## Who We Are

### FINRA

FINRA, the Financial Industry Regulatory Authority, is an independent regulatory organization empowered by the federal government to ensure that America's 90 million investors are protected. Our independent regulation plays a critical role in America's financial system—at no cost to taxpayers. We register brokers and brokerage firms, write and enforce rules governing their activities, examine firms for compliance, and foster market transparency and educate investors. For more information, visit [www.finra.org](http://www.finra.org).

### NASWA

The National Association of State Workforce Agencies (NASWA) is an organization of state administrators of unemployment insurance laws, employment services, training programs, employment statistics and labor market information and other programs and services provided through the publicly-funded state workforce system.

The guiding principles of NASWA are:

- ▶ Advance the state role in the workforce system;
- ▶ Invest in training and professional development; and
- ▶ Lead in coordinating local, state, and federal roles.

For more information, visit [www.workforceatm.org](http://www.workforceatm.org).

# Job Dislocation

## MAKING SMART FINANCIAL CHOICES AFTER A JOB LOSS

You may not be able to control if or when your company closes a plant or lays off workers—but you *can* take steps to manage the financial impact of those events.

This brochure contains tips on how to:

- ▶ keep your finances on the right track in the event of unemployment;
- ▶ protect yourself when getting financial advice during a period of job dislocation; and
- ▶ ask the right questions about your company's benefit plans at any time.



## Job Dislocation

### WHAT TO DO AFTER YOUR COMPANY ANNOUNCES A PLANT CLOSING OR LAYOFFS

Whatever the reason for your job dislocation, you now face a period when handling your finances correctly will be critical to you and your family. These tips can help you take charge of your financial situation:

- ▶ **Act Quickly to Reduce Spending:** With less money coming in, you should take immediate action to reduce spending wherever possible. Resist the temptation to buy on credit.
- ▶ **Assess Your Short-Term Situation:** Figure out how much cash you have readily available or can get on short notice, how much you owe—mortgage, rent, credit cards, car loans—and the monthly payments associated with those and other debts. Establish how long you can make ends meet on the financial resources that you already have in hand.
- ▶ **Ask About Dislocated Worker Services:** Your employer may work with state and local officials to provide services such as job placement, retraining or resume writing. Maximize your opportunity to get a new position as quickly as possible by taking advantage of these services—make finding a new job your full-time job. If you belong to a labor union, also ask your union what it can do to assist you.
- ▶ **Avoid Taking Out Loans Against Your 401(k):** Loans put a drag on your retirement savings by reducing the amounts invested on your behalf. In the event of a layoff, 401(k) rules generally require that employees pay back loans within 90 days of leaving or face both income taxes and a hefty 10 percent penalty tax on the withdrawal.

► **Inquire About Unemployment Insurance:**

The state's unemployment insurance office may visit your workplace to offer guidance about the application process. Find out if you qualify and how the insurance may change if you get other payments from the company. Knowing the amount of the insurance benefit and the time you can expect to receive it will help you handle your finances.

Remember that when you file for unemployment insurance, state regulations generally require that you also register with the state's employment service so you can start searching for a job immediately. Check with your state to see whether any exceptions apply.



**Collecting Unemployment Benefits While Working is Illegal! Report the Date When You Return to Work or Start a New Job.**

You become ineligible to receive unemployment benefits as of the date you return to work or start a new job, not on the date you receive the first paycheck for that job. State unemployment insurance (UI) agencies regularly match claimants receiving UI payments against wage records and the National Directory of New Hire data to determine if an individual was working and collecting benefits for the same week(s). The US Department of Labor estimates that over \$6.4 billion in benefit overpayments were made in 2009 because claimants waited to get that first check before reporting that they had returned to work or started a new job.

Remember: Report to your state unemployment office the date when you begin to work, either full time or part time. Do not wait to get your first paycheck to notify the state.

## Protect Yourself—Avoid Investment Fraud

### BEWARE OF INVESTMENTS THAT PROMISE TOO MUCH:

The announcement of your plant's closing or mass layoff may have received national or local press coverage. If all of a sudden you find that you are receiving unsolicited offers for the investment of a lifetime, beware. If it sounds too good to be true, you know it probably is.

### ALWAYS DO A BACKGROUND CHECK BEFORE HIRING AN INVESTMENT PROFESSIONAL:

The right investment professional can work with you to make good choices during periods of job dislocation. Legitimate investment professionals must be properly licensed. You can check the credentials of any person offering you investment opportunities

### THIS IS HOW YOU CHECK TO PROTECT YOURSELF:

- ▶ For a broker or brokerage firm, use **FINRA BrokerCheck** [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or call toll-free (800) 289-9999.
- ▶ For an investment adviser, use the SEC's **Investment Adviser Public Disclosure** Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or call toll-free (800) SEC-0330.
- ▶ For an insurance agent, check with your state insurance department. You will find contact information through the **National Association of Insurance Commissioners** (NAIC) at [www.naic.org](http://www.naic.org) or call toll-free (866) 470-NAIC.
- ▶ For all brokers and advisers, be sure to call your state securities regulator. Contact the **North American Securities Administrators Association** at [www.nasaa.org](http://www.nasaa.org) or call (202) 737-0900 for the state's number. Protect Yourself—Avoid Job Search Scams



## Protect Yourself—Avoid Job Search Scams

### BEWARE OF JOB SEARCH ADS THAT PROMISE TOO MUCH:

Resist the temptation to rely on job search ads or services that promise easy results. You should not have to pay to get a job, disclose personal or financial information in a job application, or use electronic money transfers via your bank or credit card accounts to do your job. These are all red flags that the job may involve illegal activity or someone may be trying to steal your identity.

### THIS IS WHAT YOU DO TO PROTECT YOURSELF FROM JOB SEARCH SCAMS:

- ▶ Check with the **Federal Trade Commission** at [www.ftc.gov/jobscams](http://www.ftc.gov/jobscams) for the latest scams. If you suspect a job scam, file a complaint at [www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov) or call 1-877-FTC-HELP.
- ▶ Check with your state's **Consumer Protection Agency** or **Office of the Attorney General**. Find the contact number at [www.consumeraction.gov/state.shtml](http://www.consumeraction.gov/state.shtml).
- ▶ Check with your local **Better Business Bureau**. Find the contact number at [www.consumeraction.gov/bbb.shtml](http://www.consumeraction.gov/bbb.shtml).

# Long-Term Job Dislocation

## SMART CHOICES IN DIFFICULT TIMES

The prospect of an extended period of unemployment will require some difficult decisions that could affect your long-term financial health. Managing severance pay, choosing the form of payment from benefit plans, and preserving your retirement funds if you are still years away from retirement age are high in that list. Keep in mind the following tips when deciding what to do:

- ▶ **Get Financial Advice:** Your company or union may offer guidance regarding the financial decisions you face. Your state or local employment agencies may also provide information. Ask questions as early as possible to help determine what is right for you. Consider working with a credit counselor or investment professional. They can help you develop a plan to see you through your unemployment period and beyond.
- ▶ **Conserve Funds Meant for Your Retirement if You Can:** Tap into your retirement funds to make ends meet only as a last resort. If you have a choice, choose to keep those funds invested and working for you until you actually retire.
- ▶ **Understand the Tax Bite:** Income taxes apply when you tap into retirement funds prior to age 59½. The plan administrator is required to withhold 20 percent of the amount you cash out to ensure that you will pay the taxes that apply. An additional 10 percent penalty tax may apply if you are under 59½ years of age. In order to avoid income tax and a tax penalty, you must roll over your funds to an Individual Retirement Account (IRA) or other qualified retirement plan within 60 days of receiving the retirement funds.

► **Use Direct Rollovers to Avoid Potential Taxes:**

If you elect to roll over retirement funds, you may avoid tax complications and the risk that you will not complete a rollover within the required 60 days of receiving those funds. Choose a direct rollover by having the plan administrator transfer the rollover amount directly to an IRA or other qualified retirement plan.



- **Spend and Invest Lump Sums Wisely:** Receiving a lump sum may tempt you to spend it on that one thing you have been wanting all your life. Do yourself a favor and wait. If you face a long unemployment period, these may be the only funds you will have to make ends meet. Even if that is not the case, give yourself time. Consider short- and long-term needs before you decide what to do. If you decide to invest the lump sum, take your time to consider what you are going to invest in, when you are going to make the investment and how much of the lump sum you want to invest in different types of investments such as stocks, bonds, or non-financial assets.

TIP:

## Health Insurance

### COBRA MAY HELP YOU STAY HEALTHY

A significant risk of job dislocation is the loss of your health insurance. A federal law, known as COBRA, provides for continuation of coverage up to 18 months, under certain circumstances. To be eligible for COBRA:

- ▶ You must have been enrolled in your company's health plan while employed. Furthermore, the plan must continue to operate after you are no longer employed.
- ▶ You have a limited time to decide to take COBRA coverage once you have been notified that you are eligible. You must select coverage by the 60th day after the written notice is sent to you or the day your health coverage ceases—whichever is later. If you fail to respond, you and your family will lose your right to COBRA benefits.
- ▶ You must pay the premium that you were already paying plus the amount that was paid by the company. There may be additional administrative fees—possibly up to 2 percent of your premium. Even if this seems high, you are still paying group premiums instead of individual premiums, which are usually higher.
- ▶ You must pay the full premium on time. Failure to make your full payment on time will result in termination of health insurance. Generally, you will not be able to recover coverage by making the payment after your coverage was terminated.
- ▶ Congress has provided for a 65% reduction in premiums for persons losing their jobs involuntarily as of May 31, 2010. The reduction may be extended to the end of 2010. For the latest information on the subsidy and eligibility requirements, visit the Department of Labor's Employee Benefits Security Administration (EBSA) at [www.dol.gov/ebsa/cobra.html](http://www.dol.gov/ebsa/cobra.html). Talk to your plan administrator to see if you qualify.



## Understand Your Company's Benefits

The most obvious benefit you get from your company is the regular paycheck that you count on for doing your job. Another benefit that you probably use frequently is your health insurance. Other company benefits, such as a 401(k) or pension plan, help you build retirement security over time. Your employer may offer a variety of retirement benefits, and it is up to you to take the initiative to understand them. This is particularly important as you face a period of job dislocation. Do not be shy about asking questions. We tell you what to ask below after this brief description of commonly offered plans:

### **PENSION PLANS:**

These plans usually provide a series of payments, also called a defined benefit, after you retire. The amount you receive is normally calculated based on a combination of salary, age and years of service. Pension plans that replace a good chunk of your before-retirement salary are becoming rare. Employees who leave a job before a certain age or specified years of service with the company may not receive anything. This may happen when they have not met the eligibility requirements to become entitled, or vested, in the plan benefits.

## 401(K) PLANS:

These plans are referred to as defined contribution plans because they allow you to contribute a portion of your salary to retirement savings, and receive certain tax benefits. When you participate, the taxable salary that your employer reports to the Internal Revenue Service (IRS) is reduced by the amount of that contribution. Income taxes on that money and any earnings are deferred, or postponed, until you withdraw from your account. Generally, if you withdraw before age 59½, you will pay a tax penalty. Some companies also offer a Roth feature to the 401(k) plan that allows you to contribute after-tax dollars—known as designated Roth contributions. You pay taxes on designated Roth contributions up front, but their earnings grow tax free. Earnings on the Roth contributions may be withdrawn after age 59½ so long as the withdrawal is made five years after the initial Roth contribution.

The maximum amount you can contribute to a 401(k) is set annually by the IRS. For 2010, the maximum contribution is \$16,500. If you are 50 or older, you can add another \$5,500 in “catch up” contributions for a pre-tax total of \$22,000. If your company allows you to make both pre-tax and designated Roth contributions, you may determine how much you want to contribute to each. You must, however, count both contributions towards the annual limit.



A 401(k) plan may give you several investment choices. The company may also match some or all of your contributions on a pre-tax basis. You will owe tax on any pre-tax contributions and their earnings when you withdraw funds from the plan. The money that you have contributed to the 401(k) plan will not be affected by events impacting your employer because you are always entitled to or vested in your own contributions. Your employer will decide how long you must work before you vest in the matching contributions. You may move (rollover) your 401(k) savings when you leave an employer allowing continued deferral of the taxable portion of your account.

### **CASH BALANCE PLANS:**

These plans provide for a benefit that is stated in terms of an account balance. Each employee has an account to which the employer contributes a specified dollar amount every year. The funds in the account earn interest at a guaranteed rate that is independent of the actual investment performance of the plan. Generally, you can take an annuity or a lump sum.

### **EMPLOYEE PROFIT-SHARING PLANS:**

The company contributes a certain amount of its annual profits to participating employees. Each worker's account is credited with its share of the contributed profits. The amount contributed often ebbs and flows with a company's financial performance.

### **EMPLOYEE STOCK BONUS PLANS:**

The company contributes a certain number of shares of its own stock to its employees. As with profit sharing plans, the amount of shares received tends to fluctuate according to the company's financial performance.

## **ASK THESE QUESTIONS ABOUT YOUR EMPLOYER'S BENEFIT PLANS:**

- 1. What are the terms of the plans that cover me?** Ask for the summary plan description (SPD), the document that contains a complete description of the benefits owed to you and how they are calculated. Your company's human resources department, the plan trustee or administrator, or your labor union should have a copy of this document.
- 2. When do I vest and how much is my benefit?** The plan administrator or the company's human resources department should tell you exactly how long you must work before you become entitled to, or vest in, your benefits and how much those benefits will be. Understand how the benefit is calculated so you can double check that the amount reported to you is correct. Also check previous benefit statements that you have received along the way to ensure that the calculation is correct. Keep in mind that you are always vested in the amounts that you have contributed to a plan. Your employer, however, may require employees to work for a designated period to vest in the amounts contributed by the company.



**3. When can I start getting payments?**

You need to know when you can start receiving your benefits so you can plan accordingly. It is possible that you may not have a right to receive payments as quickly as you would expect even if you retire under normal circumstances. Some plans may provide for an early retirement option under certain circumstances if you have met the length of service requirement even if you do not meet the age requirement. This option usually results in a reduced benefit to the employee. Before you opt for payments, make sure that you understand what level of benefit—full or reduced—you are getting, the reason causing a benefit reduction and how long you have to wait to get the full benefit provided by the plan.

TIP:

## 401(k) Hardship Withdrawals

### UNDERSTAND THE TAX BITE AND LONG-TERM CONSEQUENCES

Under certain circumstances, it may be possible to access your 401(k) funds before retirement. Check with your employer for the specifics of your plan. A hardship withdrawal should be a choice of last resort. You will never get the full amount that you withdraw because you will have to pay taxes.

#### Generally, hardship withdrawals are:

- ▶ available if your employer's plan permits them, but are not required by law;
- ▶ not loans—they cannot be repaid;
- ▶ subject to regular taxes—your employer will likely deduct 20 percent up front;
- ▶ subject to a 10 percent penalty tax if you are not 59½ or older;
- ▶ available only after you have withdrawn all other available 401(k) funds;
- ▶ not available after you have been terminated.

#### You may use hardship withdrawals to:

- ▶ purchase or repair a primary home;
- ▶ pay education tuition, room and board, and fees for the next 12 months for you, your spouse, children and other dependents;
- ▶ prevent eviction or foreclosure on your primary residence;
- ▶ address severe financial hardship;
- ▶ pay for unreimbursed medical expenses for you, your spouse, children and other dependents;
- ▶ pay for funeral expenses for immediate family members—parents, spouse, children, and other dependents.

**The 10 percent penalty tax is waived if your hardship withdrawal results from:**

- ▶ your total and permanent disability;
- ▶ medical bills that exceed 7.5 percent of your adjusted gross income;
- ▶ a court order to pay funds to a spouse, child or dependent;
- ▶ permanent lay off, termination, quitting or early retirement in the same year you turn 55;
- ▶ permanent lay off, termination, quitting or retirement accompanied by payments for the rest of your (or your designated beneficiaries') life or life expectancy that continue for at least five years or until you reach age 59½, whichever is longer.

Hardship withdrawals are costly in the short term when you pay taxes. Over the long term, they also cost you when the withdrawn funds are not there to grow with the help of compounding.



## Your “To Do” List

### PUTTING IT ALL TOGETHER TO KEEP YOUR FINANCES ON TRACK

There are many things you need to do and think about as you face a period of unemployment. It is easy to feel overwhelmed. Keep it simple by following these steps:

- ▶ **Take Control of Your Finances:** Follow the tips above as soon as you learn that you will experience a job loss. Knowing what you can count on financially will help alleviate your concerns.
- ▶ **Use All Available Employment Services:** Take advantage of your state’s services. Use the contact information in the pull-out sheet in this brochure. Help yourself find that next job sooner rather than later.
- ▶ **Protect Yourself From Financial Fraud:** Check out anyone offering you financial advice. Call the numbers listed in the pull-out sheet to contact your state and national regulators.
- ▶ **Protect Yourself From Job Search Scams:** Check out any job ads or offers that seem too easy to be true. Call federal, state or local consumer protection agencies at the numbers listed earlier in this brochure.





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## Attachment D

All deliverables will meet ADA “Accessibility of State and Local Government Websites to People with Disabilities”, per the following:

[http://www.ada.gov/websites2\\_prnt.pdf](http://www.ada.gov/websites2_prnt.pdf)