

# Nonprofit State Unemployment Insurance

All employers are required to pay for State Unemployment Insurance (SUI). For-profit employers have only one option to cover their SUI obligations: pay a tax into the State Unemployment Fund.

However, 501c3 nonprofits and governmental employers can opt to self-insure (called “reimbursing”) and not pay via the tax method. How do you avoid the high cost of State Unemployment Taxes and the challenges of self-insuring?



First Nonprofit Group provides alternative funding and risk management programs designed uniquely for 501c3 and governmental employers to maximize savings and eliminate the difficulty of self-insuring. By making this switch, the nonprofit can save as much as 40% of their annual unemployment costs.

These programs all include fixed annual costs, budgetary certainty, insurance protection and professional claims administration.

## Program Options

- **Bonded Service Program:** Risk free, first and last-dollar coverage
- **Unemployment Savings Program:** Proprietary interest-bearing reserve, with claims administration and stop-loss insurance
- **Excess Loss Insurance:** “Working Excess Coverage” fits level of risk retention that works best for the organization
- **Surety Bonds:** Required in many states for “Reimbursing” employers

## Underwriting Guidelines

- Available to organizations in all 50 states
- 501c3 nonprofits
- Governmental employers
- At least 10 employees

## Eligible Organizations

More than 1,800 nonprofit and governmental entities currently participate in our program, covering more than 415,000 employees. They include the following:

- Social service organizations
  - Child and family services
  - YMCAs and YWCAs / Boys and Girls Clubs
  - Goodwill Industries
  - Community action agencies
  - ARCs
  - Domestic violence and homeless shelters
  - Assisted living centers
  - Vocational guidance and training centers
- Educational service organizations
  - Charter and private schools
  - Colleges and universities
- Charitable foundations
- Healthcare agencies and hospitals
- Mental health and behavioral services
- Religious charities and service organizations
- Governmental sector entities
  - Cities and counties
  - Towns, townships and villages
  - Public school districts and education service districts
  - General improvements or police/fire protection districts
  - Native American Indian tribal organizations and casinos

## Payment Flexibility

While most payments into the state tax system are made during the first and second quarters of the calendar year, First Nonprofit Group clients make four equal quarterly payments.

## Group Program Management

First Nonprofit Group offers comprehensive program design and full third party administration for group unemployment plans. We work with public or nonprofit associations to effectively manage a self-insured unemployment program for their membership. We provide all essential services including claims management, underwriting, billing, management of reserves and reimbursement of payments to the state agency for individual claims.



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