**Fact Sheet:** **Unemployment Compensation for Grant Funded Employees**

1. Grant funded employees must receive the same benefits as other employees in their benefit class.
2. Employees laid off from grant funded positions may apply for unemployment compensation if they choose.
3. If PSU is charged for an employee’s unemployment compensation AND the F&A rate on the grant that supported that employee is higher than 15%, then Central Administration is responsible to pay the unemployment compensation
4. If the F&A rate is below 15% the Department is responsible for paying the unemployment compensation to the state.
   1. Faculty should discuss this possibility with the Dept. Head prior to proposal submission.
   2. Human Resources can advise as to the potential costs of unemployment insurance reimbursement.
   3. Unemployment compensation CANNOT be paid from grant funds.
5. In order to avoid accumulated vacation paid out as cash, work backwards from the employee’s actual termination date and require them use all their vacation hours prior to that date.