



Creating a diverse and qualified  
workforce for West Michigan

Unemployment Insurance & COVID-19

Muskegon Lakeshore Chamber of Commerce • April 14, 2020

# MI Unemployment Insurance Agency Claims by County

County	# of Claims Week ending 3/28/20
Allegan	4,748
Barry	2,372
Ionia	2,896
Kent	24,098
Montcalm	2,861
Muskegon	8,144
Ottawa	11,015
<b>TOTAL</b>	<b>56,134</b>
FY19 Statewide Claims Filed	399,000
March 15 – April 4 Statewide Claims Filed	817,585

# CARES Act: Extended Unemployment Program

## Federal Pandemic Unemployment Compensation (FPUC) provisions of the CARES Act

- unemployment Insurance Program Letters (UIPL) 15-20 addresses:
  - eligibility of individuals to receive an extra \$600 per week
    - FPUC \$600 payments end on or before July 31, 2020
- extends benefits by 13 weeks (39 weeks total)
- FPUC is 100% federally funded, employers not charged
- application for individuals previously not eligible opens April 13
- workers on state unemployment have already started getting the set \$600 federal weekly payment in addition to the state benefit amount.
- \$600 federal payment may be retroactive back to March 29

# CARES Act: Extended Unemployment Program

## **Pandemic Unemployment Assistance (PUA) – Further expands UI eligibility and benefits**

### Who is eligible for the FPUC \$600 payments?

- individuals receiving regular unemployment compensation under state programs
  - includes partial unemployment benefits (such as those working reduced hours) under a state program
- individuals who may have exhausted state UI benefits.
- individuals not eligible for standard state UI benefits
  - self-employed
  - 1099-independent contractors
  - gig/freelance
  - low-wage workers who can no longer work because of the pandemic

# CARES Act: Extended Unemployment Program

- Unemployment Insurance Program Letters (UIPL) 16-20 provides additional examples of what may constitute a qualifying COVID-19 related circumstance for PUA eligibility, including:
  - Coronavirus diagnosis or presentation of symptoms and seeking medical attention.
  - A household member with coronavirus diagnosis or caring for a family member who has been diagnosed.
  - School or daycare closures and the individual is the primary child caregiver.
  - Workplace lock-down.
  - Advise from a health care provider to self-quarantine.
  - The individual was about to start a job that is no longer available because of coronavirus.
  - The individual is now the breadwinner of a household because someone has died from coronavirus.
  - The individual had to quit because of a circumstance resulting from coronavirus.
  - The individual's place of work is closed because of coronavirus.

# CARES Act: Extended Unemployment Program

## Who is NOT eligible for the FPUC \$600 payments?

- generally not available to individuals who:
  - have the ability to telework with pay
  - who are receiving paid leave benefits (including sick and family leave)
    - If paid leave benefits is less than his/her normal work week, or, is teleworking with pay for less hours than the individual worked prior to the COVID-19 pandemic, may still be eligible for a reduced PUA weekly benefit amount.
- individual must provide certification that he or she is able and available to work, but is unemployed or underemployed due to qualifying reason

# CARES Act: Extended Unemployment Program

## When should an employee file a claim?

- the day an individual is laid off
- if receiving payment for vacation/sick/paid time off or a severance package, this is considered income
  - would not file until these payments have ended
- Individuals have 28 days from the day they are laid off to file a claim
  - Approved claims will be back-dated to reflect the date on which the claimant was laid-off
  - UIA will be accepting claims and benefit applications beyond the previously established 28-day period due to COVID-19

# CARES Act: Extended Unemployment Program

## Newly eligible workers who have yet to apply for unemployment benefits

- will begin receiving the \$600 federal payment as early as April 20, after their bi-weekly certification.
- applicants need to use the UIA's daily filing schedule based on their last names which can be found on the UIA website.
- all newly eligible workers will need to provide proof of income to receive the maximum amount they are entitled.
  - This includes W-2s, 1099 tax forms, and pay stubs.

## Newly eligible workers who have been previously denied benefits

- workers who have previously applied for unemployment benefits and have been denied should log in to their MiWAM account to complete the next steps for PUA federal benefits.
- They should not file a new claim, as that may delay the time it takes to get their benefits.

# UIA WorkShare Program

- Companies that are financially distressed but hope to continue operations by cutting back hours are encouraged to use the Work Share program
- Allows companies to maintain employment levels and business operations and hang on to their skilled workers
- Employees will be eligible to receive the \$600 federal payment

# WorkShare Program



## WorkShare

### HOW IT WORKS FOR EMPLOYEES

FOR EXAMPLE:

IF AN EMPLOYEE EARNS

**\$775**  
PER WEEK

THEN LOSES HIS JOB, THEY WOULD BE ENTITLED TO RECEIVE

**\$362**  
PER WEEK FROM  
UNEMPLOYMENT BENEFITS

WITH WORK SHARE AN EMPLOYEE EARNS NORMAL WAGES FROM A FOUR-DAY WORK WEEK

**\$620**  
4 DAY WORK WEEK

RECEIVES BENEFITS FROM THE WORK SHARE PROGRAM FOR THE DAY OF LAYOFF

**\$72**  
1 DAY LAYOFF  
(\$362 X 20%)

EMPLOYEES KEEP THEIR JOBS **AND** RECEIVE MORE INCOME COMPARED TO FULL UNEMPLOYMENT

**\$692**  
4 DAY WORK WEEK  
+ WORK SHARE BENEFITS

**EMPLOYEES  
WIN!**

# Additional UIA Guidance for Employers

- UI tax rate will not increase for employer if company or unit is required to close or limit its operations due to an executive order
- what if I need to temporarily lay off employees due to a slowdown of business which is not directly linked to COVID-19?
  - employers are strongly urged to place employees on temporary leave and advise the worker that they expect to have work available within 120-days as opposed to termination.
    - there is no additional cost to employers, employees remain eligible for UI benefits through the state, and employees may remain eligible for potential federal assistance.

# Additional UIA Guidance for Employers

## Steps for employers placing employees on temporary unpaid leave:

- Do not terminate the employee – specify a temporary/indefinite leave with an expected return to work date that is within 120 days of the layoff date.
- Do not create a contractual obligation to bring the employee back to work – Let the employee know that the situation is fluid and subject to change.
- Provide the employee with a formal Unemployment Compensation Notice (Form 1711). Employers will need to provide their Employer Account Number and Federal Identification Number.
- Communicate to the employee about their rights. Under Governor Whitmer's recent Executive Order, workers are placed on leave, or are unable to work because they are sick, quarantined, immunocompromised, or have an unanticipated family care responsibility, are eligible for unemployment insurance benefits.

# Additional UIA Guidance for Employers

## Communication with employees who will be placed on temporary unpaid leave:

- Ensure employees are provided information on how to obtain unemployment insurance benefits. A factsheet can be found on UIA's website.
- Get each employee's up-to-date contact information.
- Let employees know if you will be putting updated information on the entity's website or intranet, if applicable.
- Appoint a single, or limited number of individuals who will field questions, and communicate that information to employees.
- Keep a tally of all questions and answers. Periodically share with employees.

# Health Coverage During Temporary Layoffs

Are employers subject to federal COBRA required to provide employees with COBRA elections in the event of a temporary layoff?

- yes, if the temporary layoff results in both a reduction in hours and a loss of healthcare coverage.

May employers continue active group health care coverage for laid-off employees?

- if the company's group health plan permits laid-off employees to continue participation in the group health plan for a period of time (check with benefit administrator)
  - if, after a period of time during the leave or furlough, active coverage is no longer extended to the laid-off or furloughed worker, the COBRA qualifying event should occur at that point in time
- typically, employees will be entitled to coverage during the period they are on **paid** time off
  - employees who are laid-off or furloughed while on FMLA leave will be entitled to the FMLA's health coverage continuation requirements
  - employees who are laid-off or furloughed while on paid-time-off will be subject to the employer policies and procedures applicable to health coverage

# Essential Worker Refuses to Come to Work

- Employer has the right to appeal UI benefits, per the Governor's Executive Order #2020-24
- Communicate to employees:
  - why the company's work is considered essential
  - what the company is doing to take precautions to keep employees safe
  - clarify misunderstandings, provide public health recommendations
  - one-on-one: fringe benefits, leadership opportunities
- Leave vs discipline/termination, determine:
  - is the employee voluntarily quitting
  - is the employee protected under state and federal orders

# Re-Engagement Strategy

The Governor will consider the following before lifting the Stay Home, Stay Safe order:

1. Sustained reduction in case counts
2. Enhanced ability to test and trace
3. Sufficient health care capacity
4. Best practices for the workplace

# Other Federal Relief for Employers

## PAYCHECK PROTECTION PROGRAM (PPP)

This new program sets aside \$350 billion in government-backed loans from private banks that can, in some cases, be converted to grants, which means that if you meet the requirements you won't need to pay the loan back.

## BUSINESS TAX RELIEF

- employee retention credit
- payroll tax deferral
- net operating losses
- minimum tax credit
- qualified improvement property
- excise tax relief

# UIA Employer Resources



## GENERAL QUESTIONS

- **Customer Service for Claimants:**
- 866-500-0017
- **Office of Employer Ombudsman:**
- 855-484-2636
- [oem@michigan.gov](mailto:oem@michigan.gov)
- **UIA Fax:** 1-517-636-0427

## MIWAM SUPPORT

- 313-456-2188
- [MiWAMsupport@michigan.gov](mailto:MiWAMsupport@michigan.gov)
- [Toolkit for Employers](#), Part 1
- [Toolkit for Employers](#), Part 2

## WORKSHARE PROGRAM

- 844-967-5747
- [UIA-WorkShare@michigan.gov](mailto:UIA-WorkShare@michigan.gov)

Visit [www.westmiworks.org](http://www.westmiworks.org) to speak with a Business Solutions Representative