

FACT SHEET #151 SEPTEMBER 2017

Understanding Reasonable Assurance

Understanding Denial Periods

A “Denial Period” prevents a worker from receiving unemployment benefits based on work with an employer who hired that worker to work during a regularly recurring seasonal period (or school year), if the employer has given the worker “reasonable assurance” of returning to the work at the start of the next season (or school year). For more details, please review Fact Sheet 150, which is located on the Unemployment Insurance website at www.michigan.gov/uia.

Defining Reasonable Assurance

Although “Reasonable Assurance” is not a guarantee of a job, it is an employer’s “reasonable” assertion that a job will be available at the beginning of the next season, based upon the facts and circumstances known to the employer at the time the assurance is given.

Reasonable Assurance Given in Good Faith by the Employer

“Reasonable Assurance” must be given by the employer in “good faith” taking into account economic circumstances at the time the assurance was given, and economic circumstances that could reasonably, at the time the assurance was given, be foreseen to exist at the time for which the assurance was given (that is, what economic circumstances would likely exist at the beginning of the new season or school year). For example, in the case of a school district, if declining enrollment and state funding will likely mean that the 25 least senior employees in a job category will not be rehired, and the claimant involved is included in that group, then an assurance of re-employment given to that employee would not be in “good faith” and therefore would not be reasonable.

Comparing Wages and Fringe Benefits of Jobs

The economic terms and conditions of the employment in the successive seasonal period or academic year must be reasonably similar to those in the previous seasonal period or school year. An assurance of a job paying wages or providing fringe benefits of less than 80% of the worker’s previous job would not be considered “reasonable assurance” for the purpose of applying the denial period.

For example, if a full-time, permanent “contract” teacher is given “reasonable assurance” of work for the following academic year as a regular emergency substitute (RES) teacher, the differences in pay and benefits must be considered to determine if the claimant had been given “reasonable assurance” when he/she was assured of the RES work. The RES work pays about 58% of the pay the claimants received as “contract” teachers, and did not offer sick leave, leaves of absence, or holiday pay. In addition, a RES is entitled to either dental or medical insurance coverage, but not both; whereas a contract teacher is entitled to both.

For further information about Denial Periods and Reasonable Assurance, call UIA Employer Customer Service at 1-855-484-2636.