



**RECENT MAJOR
CHANGES TO MICHIGAN
EMPLOYMENT SECURITY
ACT:
BENEFIT PROVISIONS**

I'll begin by providing you a brief overview of the many provisions that have recently amended the *Michigan Employment Security Act* related to how unemployment benefits are paid, including the number of weeks paid, and some new provisions relating to eligibility for benefits and qualification for benefits. I'll go into greater detail about these amendments as we get to that part of the presentation.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- Benefit duration has been reduced from a maximum of 26 weeks to a maximum of 20 weeks for a “benefit year.”

Despite the calculation for the number of weeks of benefits payable on a claim, the maximum has been capped at 20 weeks. Formerly, the maximum was 26 weeks.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- Benefit eligibility requirements have been strengthened:
 - ★ Work search must be “active”
 - ★ Beginning in 2013 the claimant must show a “systematic and sustained” work search
 - ★ Work search is subject to audit

The law has been amended to require that a claimant must engage in an “active” search for work. And, beginning in 2013, the claimant must show that the active search for work was “systematic and sustained.” The claimant must present evidence that the work search was systematic and sustained, and that evidence is subject to audit by the UIA.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- The claimant must report the details of the “systematic and sustained” work search:
 - ★ Name of employer where work was sought
 - ★ Physical or on-line location of employer

Evidence of the “systematic and sustained” work search must include the name of the employer where work was sought in a week, the physical or on-line location of the employer...

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- The claimant must report the details of the “systematic and sustained” work search:
 - ★ Date of work search with the named employer
 - ★ Method by which work was sought with the named employer

...the date the work was sought with that employer, and the method by which work was sought with that employer.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- The claimant must report the details of the “systematic and sustained” work search:
 - ★ By mail or fax to UIA; or
 - ★ On-line to UIA; or
 - ★ In person at an MW!A Office

The claimant must present a report with the Agency, at least monthly, either by mail or fax, or online, providing the indicated particulars of the work search. Or, the claimant must appear in person at least monthly at an office of the Michigan Works! Agency to provide a report of the systematic and sustained work search.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- After claimant has received half of his/her benefits on a claim, the claimant must accept any job, regardless of his/her past work experience or training, if the job pays at least:

Once a claimant has collected half the number of weeks of benefits allowed on a claim, the claimant must accept any job, regardless of whether the claimant had performed similar work in the past or been trained to perform that work, if the job pays at least:

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- ★ The state minimum wage of \$7.40 per hour, and
- ★ The average wage for that job in the locality, and
- ★ 120% or more of the claimant's weekly unemployment benefit amount.

The state minimum hourly wage of \$7.40 an hour; the average wage for similar work in the claimant's locality; and 120% of the claimant's weekly unemployment benefit rate.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- When a worker negligently loses a requirement for the job (like a driver license), the worker will be considered to have “voluntarily left” the work and will be disqualified.

Among the changes in disqualifications, the statute now codifies previous case law and provides that a claimant who negligently loses a requirement of the job (such as a driver license if the claimant is a cab driver) will be regarded as having voluntarily left the work, under disqualifying circumstances.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- When a worker is a no-call/no-show for 3 days or more, and the employer notified the worker at the time of hire how to contact the employer for an absence, the worker will be considered to have quit the job and will be disqualified.

Another change is a new provision that requires a disqualification for voluntarily leaving work if an individual was informed at the time of hire of how to contact the employer in the event of an absence, and then is absent for 3 days without contacting the employer. Under prior case law, this situation was considered a discharge for misconduct connected with the work, and the claimant was disqualified under that provision.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- When the “Monetary Determination” shows that the claimant “QUIT” a Base Period employer, the employer no longer needs to respond and request a “Redetermination of Charges.” The quit will be presumed to be disqualifying and the employer’s account will automatically be “noncharged.”

This is an important change for employers. Previously, if the Monetary Determination showed a “Quit,” but the claimant had already requalified by “rework” with a subsequent employer, the claimant was payable and the UIA did not request information from the employer about the quit. The employer had to notify the UIA that the circumstances of the quit would have been disqualifying (had the claimant not already requalified). Under the amendment, it is presumed that the quit was disqualifying, and the employer’s account will automatically be “noncharged” without the need for the employer to provide information to the UIA about the quit.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

UJA 1575E WR (Rev. 6-04) State of Michigan Department of Labor & Economic Growth UNEMPLOYMENT INSURANCE AGENCY

Monetary Determination

UJA Office: _____

UJA Account No: _____

Mail Date: _____

CLAIM INFORMATION

BENEFIT YEAR BEGINS: _____ BENEFIT YEAR ENDS: _____

Reference Codes (See Back of Form) DEPENDENTS CLAIMED WEEKLY BENEFIT AMOUNT BENEFIT WEEKS ALLOWED

HOW QTR. WAGES USED TO CALCULATE BENEFITS

LAST EMPLOYER

Employer	Reference Codes (See Back of Form)	Claimant's Separation Reason	Total Wages	Last Employer Charge for 2013 or 2014 Wages	Non-charge Amount

BASE PERIOD EMPLOYER(S) AND ENDS:

Employer	Reference Codes (See Back of Form)	Separation Reason	Base Period Wages	Maximum Allowable	Non-charge Amount

”Separation Reason” from Base Period Employer shows a QUIT. It will be presumed QUIT was disqualifying, and the employer’s account will be automatically “non-charged”

This shows the place on the Monetary Determination where the reason for separation from a base period employer is shown. If “quit” is shown, the employer need no longer respond as to the circumstances for the quit. However, if “fired” is shown, the employer still has to respond with the details in order to avoid a charge to its account.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

- When an employer hires a person for part-time work but the worker also had another, maybe full-time job, was laid off from that other job, and files a claim, the part-time employer is in the base period of the claim and is chargeable for a portion of the benefits.

Another amendment solves a long-standing problem for employers. If a worker is working part-time for an employer, but also happens to be working part-time or full-time concurrently for another employer which then lays off the claimant, the claimant may file a claim and be entitled to benefits as an “underemployed” person, even though he or she is continuing to work for the part-time employer for the same part-time hours. The continuing part-time employer, being an employer during the “base period” of the claim, is therefore a chargeable employer on the claim.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

If the part-time employer is a “contributing employer” they have always been able to request to be “noncharged” if they pay the worker gross wages in a week at least equal to the employer’s benefit charge for that worker for that week. But the employer would have to make the request each time there was a benefit charge.

The prior law permitted a “contributing” employer in that situation to request to be “noncharged” if the employer was paying the worker, each week, and amount in gross wages at least equal to the amount of that employer’s benefit charge for the week. But the employer would have to do that for each week.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

The new law allows the employer to notify the UIA only once of this circumstance, and the employer's account will be "noncharged" for the remainder of that claimant's Benefit Year. And, in 2014, the claimant will be able to notify the UIA of that fact, and the employer won't need to.

This amendment requires the employer to report that situation and request noncharge only once. For all subsequent weeks of the claim, the employer will automatically be noncharged. Beginning in 2014, the online "MARVIN" reporting system for claimants will allow the claimant not only to report their weekly earnings, as they do now, but will also allow them to tell the UIA which employer they are receiving the wages from. If it is a chargeable base period employer, that employer's account will automatically be noncharged if the claimant's weekly earnings with that employer equal or exceed that employer's weekly benefit charge for that claimant.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

If an employer has failed to provide quarterly wage information for a claimant, the UIA will, as before, take a Wage Affidavit from the claimant, but the law now requires that the claimant provide evidence of those wages, such as W-2 forms or check stubs.

If an employer has not reported wages for a claimant, the claimant is asked to provide the UIA with an Affidavit of quarterly wages. Under the amendment, the claimant will be required to provide evidence of those wages, such as check stubs or W-2 forms.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

Until 10/1/15, earnings in a week will reduce benefits by 40%, and benefits + wages cannot exceed 1.6 times the worker's weekly benefit amount.

Beginning 10/1/15, earnings will reduce benefits by 50%, and benefits + wages cannot exceed 1.5 times the worker's weekly benefit amount.

Prior to the amendment, a claimant's gross earnings in a week would reduce his or her unemployment benefits for the week by 50¢ for every dollar in earnings, and the combination of benefits and earnings could not exceed 1.5 times the claimant's weekly benefit rate.

As a result of the amendment, benefits will be reduced by 40¢ for every dollar earned, and the combination of benefits and earnings in a week cannot exceed 1.6 times the claimant's weekly benefit rate.

The prior formula goes back into effect on October 1, 2015.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

An employer can request and receive designation as a “seasonal employer” if it hires workers for regularly recurring periods of 26 weeks or less within any 52-week period.

Under the previous law, an employer could receive designation as a “seasonal employer” only if it either (1) operated 26 weeks or less within a 52-week period, or (2) half or more of its workers worked for not more than 26 weeks within a 52-week period. Also, the industry of which the employer was a part had to satisfy the same test.

The amendment expanded the number of employers that can receive “seasonal” designation because now all the employer must show is that one or more of its workers are hired to work 26 weeks or less within any 52-week period.

The effect of gaining “seasonal” designation is that the employer’s seasonal workers who are given “reasonable assurance” of returning to work the following season are subject to a “denial period” between seasons and no unemployment benefits chargeable to the account of the seasonal employer can be paid to the worker between seasons. This reduces benefit charges to the employer’s account, even though unemployment taxes must still be paid on the wages of the seasonal workers.

RECENT MAJOR CHANGES TO MICHIGAN EMPLOYMENT SECURITY ACT

The school “denial period” (denying benefits to school employees who have reasonable assurance of returning) will also apply, between terms, to employees of employers that contract with lower- and higher-education schools to provide services to those schools.

A “denial period” has applied for many years to employees of school districts who are given reasonable assurance of returning to work after a recess period or after the period between terms. The recent amendment extended the denial period to employees who work in schools but who work for a third-party contractor for the school district or institution of higher education, rather than directly for the school.