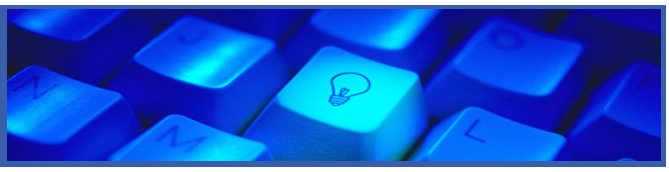
Unemployment Insurance Agency

# MICHIGAN EMPLOYER ADVISOR

Summer 2014

## FROM THE director



### *Dear Employer:*

I am pleased to be writing to you as new director of the Unemployment Insurance Agency. In my role as director, it will be my pleasure to work with Michigan's employers to make understanding and adhering to the laws of the unemployment insurance system simpler and less cumbersome.

My 21 years of experience in all aspects of unemployment insurance, from claimant services to employer tax accounts gives me a clear view of the issues that our customers face and I look forward to helping you continue to grow a successful business in Michigan.

Although the leadership of the Agency has changed, our mission of providing the highest quality unemployment insurance services, ensuring the economic growth of Michigan; its employers and its workers, remains the same.

Thank you to all who have reached out to congratulate me on my new role.

We welcome your comments on ways we can improve to serve you better. Even though we have recently updated and streamlined our technology to become more efficient and to provide you a more customer friendly experience with managing your accounts, we are constantly looking for ways to be even better.

Please feel free to send an email to Employeradvisor@michigan.gov if you have a question or comment, or a suggestion about a topic you would like to see covered in this publication.

Thank you for your continued support and investment in the State of Michigan.

Sincerely,

Sharon Moffett-Massey, Director
Unemployment Insurance Agency

THE MICHIGAN EMPLOYER ADVISOR is an Unemployment Insurance Agency newsletter for Michigan Employers about unemployment insurance.

**If you would like to subscribe to the Advisor, please click here.**

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UIA Unemployment Insurance Agency

# How You Can Prevent UI Fraud

Fraud affects everyone – employers, claimants and taxpayers – and drives up the cost of doing business. As employers, you can help save millions of dollars in fraudulent payments that might otherwise go undetected by identifying suspected fraud. In many fraud cases – such as an employee claiming benefits while still working – the employer is on the front line and may be the first to have information that fraud is occurring.

As employers, you can help detect and *prevent* fraud by:

***Reviewing monetary determinations for accuracy.*** Employers are notified (on Form UIA 1575E) that their UIA account will be charged as shown, unless the employer provides the Agency with information showing the unemployed worker was separated for a reason that would disqualify the unemployed worker from receiving benefits. For example, was the employee ever employed by your organization and, if so, does the person continue to work? Is the separation reason correct?

***Responding to any fact-finding requests you receive from the UIA.*** If the Agency needs more information from the employer regarding a claimant's separation, you may receive Form UIA 1713, Request for Information Releative to Possible Ineligibility or Disqualification.

***Verifying each worker's earned income*** on Form UIA 1136, Statement of Unemployment Benefits Charged or Credited to Employer's Account. Each week, employers receive a statement of charges and credits that have been made to their accounts. The statement identifies each person receiving unemployment benefits and how much. These statements are a very powerful early detection tool. You can find this in MiWAM under the Benefit Services tab. In addition, it is very important to advise payroll staff (usually the ones most familiar with workers who are also collecting UI benefits) to monitor gross wages reported or NOT reported. In many cases, a company's payroll information and unemployment reports end up in places other than the hands of appropriate personnel. And in some cases it may not be an employer who reviews the information, but a payroll company or accountant who handles the books. Regardless, it is important to make sure that appropriate staff receives and timely reviews any documentation from the UIA, especially payroll and unemployment reports, so they can readily identify benefit fraud.

In one recent example, an employer did not review the weekly Form UIA 1136 for a full year. The result – although the employer had a year's worth of information, he was simultaneously paying wages while being charged for unemployment benefits.

By monitoring the 1136 reports – just like we monitor our personal bank accounts and billing statements – you can help identify suspicious activity early and nip UI fraud in the bud. If you notice charges to your account that you don't think are correct – contact the UIA immediately.

Remember - a prompt response to any requests for verification of an employee's earnings or employment status will help prevent improper payment of UI benefits.

For more information about UI fraud, visit the UIA website at www.michigan.gov/uia. If you suspect fraud, report it to the UIA Fraud Hotline 24 hours a day at **1-855-UI-CRIME** or online through your MiWAM account.

# Back By Popular Demand!

Have you ever wondered exactly how benefits are charged to your unemployment account? Or how your tax rate is calculated? Looking for tips on how MiWAM can help make managing your UIA account easier? The UIA's 2014 Employer Seminars will provide all those answers and more.

If you haven't already signed up for one of the UIA's 2014 Employer Seminars – there's still plenty of time! Presented by the UIA for the past several years - the seminars cover the areas of Michigan's unemployment insurance system that employers most often have questions about and provide opportunity for questions and answers. The seminars, which began in April, are held at locations around the state through October 8.

Topics include: "How an Employer's Tax Rate is Calculated," "How Benefits are Charged to Employers," The Appeal Process, the UIA's new Michigan Web Account Manager (MiWAM) system and much more. The Michigan Works! Agency (MWA) will also be on hand to discuss how the local MWA can assist with talent selection and other workforce issues.

For a schedule of the remaining seminars, and a link to the online registration, visit the UIA website at www.michigan.gov/uia. Click on "What's New."

If you're unable to get to one of the seminars, the presentations will also be available online at www.michigan.gov/uia. Click on Webcasts.

For questions about the seminars, please call the Office of the Employer Ombudsman at **(855) 4-UIAOEO (484-2636), 313-456-2300** or email OEO@michigan.gov.

# Short Term Layoffs? Make Sure Your Employees are Available to Return to Work

If the summer means short term layoff periods for your company, don't forget to request a waiver of the seeking work requirement for your employees who will be returning to their job within 45 days.

This waiver is referred to as a Registration and Seeking Work (RSW) waiver. Ordinarily, an unemployed worker collecting unemployment insurance benefits is required to be available for full-time, suitable work and seeking work every week the worker is claiming benefits. Under the RSW waiver, the seeking work, registration and availability requirements are waived.

The criteria for establishing a waiver are:

- The separation must be a lay off for lack of work
- The layoff is temporary (work will be available within 45 days)
- The request must be received before the layoff occurs (no later than the week prior to the layoff)

For more information on requesting RSW waivers using your MiWAM account, view or download the MiWAM Toolkit for Employers at michigan.gov/uia.

# Michigan Works! Association

## *Helping to Connect Employers with Qualified Workers*

In order to qualify for benefits, unemployed workers must be actively seeking work and must register for work at their local Michigan Works! Association (MWA). But MWAs not only provide services for jobseekers, it offers a variety of services for employers as well, such as online job advertisement, recruitment, resume sorting and more, to ensure that the labor force meets the needs of employers.

Twenty-five Michigan Works! Agencies oversee local Michigan Works! Service Centers, where job seekers and employers can access services. For a Michigan Works! Service Center in your area, visit www.michiganworks.org or call 1-800-285-WORKS.

# MiWAM Adds New Functions

## *Apply for WOTC*

Employers who apply for the federal Work Opportunity Tax Credit (WOTC) now have a more convenient and quicker process.

Employers are now able to enter or upload the application for the tax credit themselves through their MiWAM account, and eliminate the burden of mailing in a paper application. Filing your WOTC application online eliminates the need to mail your Forms UIA 8850 and 9061 to the WOTC Unit and reduces your wait time for a response to your application. You can also track your tax credit requests and print your own determinations.

The Work Opportunity Tax Credit is a federal credit available to private-for-profit employers who hire from specific targeted groups of people that have in the past experienced difficulty in securing employment. For the first year of employment, WOTC allows maximum credits of $4,800 to $9,600 for disabled veterans, $4,000 for long-term recipients of Temporary Assistance to Needy Families (TANF), and $2,400 for all other target groups. There is an additional $5,000 credit for long-term TANF recipients who are employed for a second year.

For more information about WOTC, visit the UIA website at michigan.gov/uia. For step by step instructions about applying through your MiWAM account, view or download the MiWAM Toolkit for WOTC.

## *Report Special Payments*

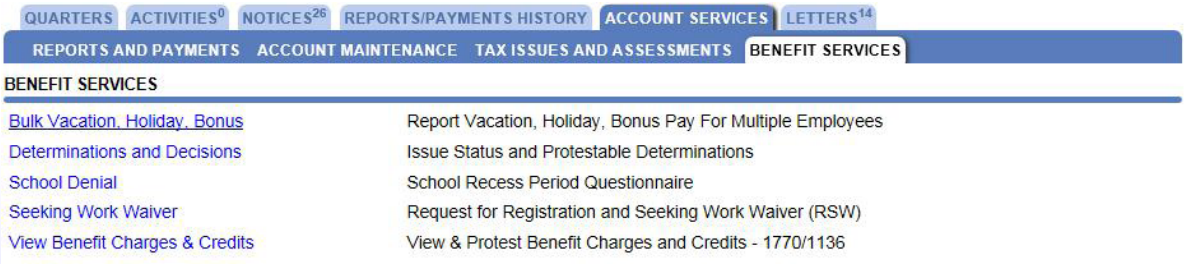
If you're an employer whose workers receive vacation pay, holiday pay or bonus pay, these kinds of payments may be used to reduce a worker's unemployment benefits. To ensure claimants receive their proper unemployment benefits, employers should report the gross amount of the holiday or vacation pay and the period to which it is allocated to the Unemployment Insurance Agency.

With a new feature in the Michigan Web Account Manager (MiWAM), you can now notify the UIA about holiday and other special payments via electronic file submission.

Filing through MiWAM allows an employer to submit a single file for their employees, and not have to respond to multiple sets of questions about the same instance. The UIA will be accepting these files for multiple employees who receive Vacation Pay, Bonus Pay, or Holiday Pay. These files will allow the Agency to determine the effect of the pay on unemployment insurance benefits before delays occur in the issuance of benefit payments.

The file formats to submit the files can be found in MiWAM under the Tax accounts, Account services tab, benefit services sub-tab.

For more information or step by step instructions about how to use MiWAM, download or view the MiWAM Toolkit for Employers at www.michigan.gov/uia.



# "Ask the Lawyer"

**Question:** **Why am I being charged a portion of a former employee's unemployment benefits if he was laid off from another employer? He hasn't worked here for a year.**

**Answer:** When a person files a new claim for unemployment benefits, the law (called the "Michigan Employment Security Act) requires the UIA to check the wages paid to the Claimant during the first four of the last five completed calendar quarters from all employers the claimant worked for during that period. That period is called the **"base period"** of the claim.

For example, if the claim were filed on July 10, 2014 (during the 3rd calendar quarter of 2014), the UIA would look at wages paid to the Claimant during the 1st calendar quarter of 2014, and the 4th, 3rd, and 2nd calendar quarters of 2013. The Claimant must have earned a certain amount of total wages from all wages paid by all employers for which the Claimant worked in the base period, to qualify for the claim. If the claim is paid, the law provides that the most recent employer the Claimant worked for is usually charged 100% of the first 2 weeks of benefits, and then beginning with the 3rd week paid on the claim, all employers in the base period of the claim share in the weekly charges for benefits paid, based on each employer's share of the total wages paid to the claimant from all employers in the base period.

*If you have a question for "Ask the Lawyer," please submit it to: employeradvisor@michigan.gov. Please indicate if you would like to remain anonymous.*

THE MICHIGAN EMPLOYER ADVISOR

is an Unemployment Insurance Agency periodical for Michigan Employers about unemployment insurance. Submissions should be related to UIA programs and services.

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**Rick Snyder,** *Governor, State of Michigan*

**Steve Arwood,** *Director, LARA*

**Sharon Moffett-Massey,** *Director, UIA*

**Melanie Brown,** *Director, Office of Communications, LARA*

**Lynda M. Robinson,** *Editor, Office of Communications, LARA*

LARA is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

State of Michigan, Department of Licensing and Regulatory Affairs, Unemployment Insurance Agency, Authority, UIA Director, Published July 2014.

Please direct questions, suggestions and comments to: employeradvisor@michigan.gov