

What is Suitable Work?

Michigan's unemployment insurance law requires individuals collecting unemployment benefits to be available for suitable work and accept an offer of suitable work. In situations where an employer offers an employee to return to their customary work, an employee can possibly lose unemployment benefits if he/she refuses. Wages, workplace safety, and other factors are considered in determining whether the work is "suitable."

In determining whether full-time or part-time work is "suitable," the law considers the following criteria:

- Employee's physical fitness for the job
- Degree of risk to the employee's health, safety, health, and morals
- Employee's prior training and work experience
- Length of the employee's unemployment
- Employee's prospects for securing work in his/her customary occupation
- Distance of work from employee's residence
- Employee's prior earnings

An individual who refuses an offer of work that is determined to be suitable will be denied benefits if the pay rate for that work is at least 70% of the gross pay rate received immediately before becoming unemployed.

After collecting half (50%) of the employee's entitled weeks, an unemployed employee must apply for, and accept work even if the work is outside of his or her past training and experience, or unsuitable as to the pay rate as long as:

1. The pay rate is at least minimum wage (\$9.65 an hour);
2. The pay is at least the average wage for the similar work in the area; and
3. The pay is 120% or more of the individual's weekly benefit amount (WBA).

If an employee refuses an offer of suitable work and does not have good cause to refuse the work, the employee may be disqualified from receiving unemployment benefits.

A job is unsuitable if it is vacant due to a labor dispute, if it pays less than the usual wage for that job in the area, or if a worker would be required to join, resign from, or refrain from joining a union.

What If Employees Refuse to Return to Work?

Employees who refuse to accept "suitable work" without "good cause" can lose unemployment benefits. If the Unemployment Insurance Agency (UIA) finds that the employee did not have good cause to refuse to return to work, the employee: (1) will not be eligible for further unemployment benefits, and (2) will have to pay back unemployment benefits they may have received after they refused the work. If the UIA finds that the employee did have good cause to refuse to return to work, the employee will continue to be eligible for unemployment benefits.

How Does the UIA Determine Average Wage Information?

State law requires the UIA to use an online database published by the Department of Technology, Management, and Budget (DTMB) to determine average hourly and average annual wage information for a specified occupation or job title within a geographic area. This searchable database is available to the public at: <https://milmi.org/DataSearch/index>.

Examples of refusal of suitable work situations:

Example 1: Suitable Work During the First Half of Benefits

An unemployed electrical engineer files for benefits after being laid off from a manufacturing company. She receives a determination entitling her to 20 weeks of benefits at a weekly benefit amount of \$362. The unemployed worker has a degree in engineering and is diligently seeking suitable, full-time work while collecting benefits. After collecting 8 weeks of unemployment benefits, she is offered a full-time job as an engineer near her place of residence with a work commute of 10 miles. The pay offered is at a gross wage of \$42,000 per year. Her gross wage at her last employer was \$60,000 per year.

Is this Considered Suitable Work?

The work offer is consistent with her past training and work experience and is near her home. The pay offer is at least 70% of her last gross wage ($\$60,000 \times .70 = \$42,000$). Unless one of the other criteria prevents this job from being suitable, such as a risk to her health or safety, the work offered is suitable.

Example 2: Suitable Work After Collecting Half of Benefits

An unemployed medical assistant files for unemployment benefits in March of 2016 after being laid off from a local hospital. He receives a determination entitling him to 20 weeks of benefits at a weekly benefit amount of \$324. He has previous training in the medical field and is certified as a medical assistant with prior work experience as a waiter. After collecting 14 weeks of unemployment benefits, he is offered a part-time job working 25 hours per week as a word processor at an insurance company near his home in Detroit. The offered wage is \$16 per hour.

Is this Considered Suitable Work?

Since he collected half of his benefits, he must accept any work offer, regardless of his prior work experience and training as a medical assistant, if the work pays a gross amount of at least 120% of his weekly benefit amount, is the average wage in the locality of the type of work offered, **and** is at least the state minimum hourly wage (currently \$9.65 an hour). In this example, the hourly pay offer exceeds the state minimum hourly wage, and the gross pay is greater than 120% of his weekly benefit amount. See below for calculations.

- **Gross Wages Per Week Offered** = 25 hours of work x \$16 per hour = \$400 per week
- **Weekly Benefit Amount (WBA)** = \$324
- **120% of WBA** = $\$324 \times 1.20 = \388.80 rounded down to \$388
- \$400 gross earnings offered per week is greater than \$388, which is 120% of his WBA

However, to be suitable work, the pay offer must also be the average wage for the type of work in the location where the work is offered. For example, the unemployed individual was offered work as a word processor in Detroit and the average hourly wage for a word processor in the Detroit Metropolitan Statistical Area is \$17.60. Since the pay offer is less than the average hourly wage in the locality, the work offer would be unsuitable, and he may continue to collect benefits if it is determined that he is not disqualified.

Protesting or Appealing a Refusal of Work Determination or Redetermination

UIA determinations or redeterminations can be protested or appealed within 30 days of the mail date on the (re)determination. The employer must prove that a specific offer of work was made to the specific employee and that the work was suitable. The employee will have to prove that the offer was not received, that the work was unsuitable, or that he or she has good cause for refusing the work.