



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**

COVID-19 Employer Presentation

What Michigan is doing



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Agenda

- Work Share program
- Employer information
- Employer filed claims
- TAA
- Q&A



UIA Presenters

- Darryl V. Hunter, *Tax and Employer Services Division Administrator*
- Danene Test, *Field Audit Manager*
- Angela Williams, *Tax Office Manager*
- Avis Johnson, *OEO Unit*
- Tawana Rogers, *EFC Unit*
- Samuel Johnson, *Benefits Division – Special Projects*



We have put together this information to help you understand the role that Unemployment Insurance Agency (UIA) can play in your planning.

COVID-19 is affecting workplaces throughout Michigan and the nation.

We know you are trying to understand the financial impact COVID-19 will have on your business. We also know you are looking for ways to be flexible and accommodate the needs of your workforce and support the communities where you do business.



Executive Order 2020-20

- On March 22, 2020, Governor Whitmer issued Executive Order 2020-20, which imposed limited and temporary restrictions on the use of places of public accommodation. This executive order amends Executive Order 2020-09 which was rescinded. Executive 2020-20 added non-essential personal care services to the list.
- **This executive order expires at 11:59 p.m. on April 13, 2020.**
- These places were closed to ingress, egress, use, and occupancy by members of the public. They included:



List of Industries Affected

- Restaurants, food courts, cafes, coffeehouses, and other places of public accommodation offering food or beverage for on-premises consumption
- Bars, taverns, brew pubs, breweries, microbreweries, distilleries, wineries, tasting rooms, special licensees, clubs, and other places of public accommodation offering alcoholic beverages for on-premises consumption
- Hookah bars, cigar bars, and vaping lounges offering their products for on premises consumption
- Gymnasiums, fitness centers, recreation centers, indoor sports facilities, indoor exercise facilities, exercise studios, and spas
- Theaters, cinemas, and indoor and outdoor performance venues
- Libraries and museums
- Casinos licensed by the Michigan Gaming Control Board, racetracks licensed by the Michigan Gaming Control Board, and Millionaire Parties licensed by the Michigan Gaming Control Board
- Places of public amusement not otherwise listed above
- This section does not prohibit an employee, contractor, vendor, or supplier of a place of public accommodation from entering, exiting, using, or occupying that place of public accommodation in their professional capacity.



Industries **NOT** affected

- Places of public accommodation that offer food and beverage not for on-premises consumption, including grocery stores, markets, convenience stores, pharmacies, drug stores, and food pantries, other than those portions of the place of public accommodation subject to the requirements of the requirements related to aforementioned businesses affected.
- Health care facilities, residential care facilities, congregate care facilities, and juvenile justice facilities
- Crisis shelters or similar institutions
- Food courts inside the secured zones of airports.



Guidance to Employers Contemplating Potential Layoffs



If planning to cease or limit operations, employers are encouraged to place employees on a **temporary leave** as opposed to termination. Employers are encouraged to advise the worker that they are expected to have work available within 120 days.



Suggested Steps for Employers Placing Employees on Unpaid Leave

- Let the employee know that the situation is fluid and subject to change
 - Provide the employee with a formal Unemployment Compensation Notice (UIA Form 1711)
 - Communicate to the employee about their rights: As of March 16, 2020, if workers are placed on leave, due to closures, sick, quarantined, immunocompromised, or have an unanticipated family care responsibility – they are eligible for unemployment insurance benefits.
 - Ensure employees are provided information on how to obtain unemployment insurance benefits
- Obtain each employee's up to date contact information
 - Let employees know you may update information on your website or intranet, if applicable
 - Appoint a single, or limited number of individuals who will field questions, and communicate information to employees
 - Keep a tally of all questions and answers. Periodically share with those separated employees



Where do I refer employees?



Michigan's Unemployment Insurance program provides temporary income to workers who have lost their job through no fault of their own. The program is funded through unemployment taxes paid by employers.



What if I do have separations, where do I refer the employee?

Michigan's Unemployment Insurance program provides temporary income to workers who have lost their job through no fault of their own. The program is funded through unemployment taxes paid by employers.



Michigan Web Account Manager

- As an employer, you can refer your employee to the MiWAM toolkit for CLAIMANTS
<https://www.michigan.gov/uia>
- For faster service, encourage your employee to file their unemployment claim online through the Michigan Web Account Manager (MiWAM). Filing online is easy, convenient, and is available 24 hours a day



Executive Order No. 2020-10

Effective March 16, 2020 and continuing through midnight on April 14, 2020, Governor Whitmer enacted Executive Order 2020-10, allowing temporary expansions in unemployment eligibility and cost-sharing.



Extended Unemployment Benefits

Under the governor's order, unemployment benefits would be extended to:

- Workers who have an unanticipated family care responsibility, including those who have childcare responsibilities due to school closures, or those who are forced to care for loved ones who become ill.
- Workers who are sick, quarantined, or immunocompromised and who do not have access to paid family and medical leave or are laid off.
- First responders in the public health community who become ill or are quarantined due to exposure to COVID-19.



Extended Unemployment Benefits

Access to benefits for unemployed workers will also be extended:

- Benefits will be increased from 20 to 26 weeks.
- The application eligibility period will be increased from 14 to 28 days
- The normal registration and work search requirements will be satisfied by the application for benefits.



Unemployment Claims and Misclassification

- Independent Contractors are **not** eligible for unemployment benefits.
- To determine if a person is an employee or Independent Contractor, UIA follows the [20-factor test](#).



What if I misclassified a worker as an Independent Contractor when they really should have been an employee?

- That person should file a claim for benefits.
- A claim investigation will be opened when there are questions about Employer Status or Wages/Services.
- The objective of the claim investigation case is to determine the claimant's eligibility for benefits, and the amount of benefits the claimant is entitled to. It is also used by the Agency to make determinations of employer liability and assessment of taxes.



Work Share Program

Presented by Avis Johnson, *OEO Unit*

An Alternative for Layoffs

WorkShare



What is Work Share?

- An option for employers to reduce employee hours instead of cutting the workforce
- Helps employers retain their skilled workforce and helps workers maintain their jobs during a downturn in business

Advantages of Work Share

- Minimizes or eliminates the need for layoffs
- Businesses can reduce employee work hours to reflect decreases in business demand
- Enables a business to retain trained employees and avoid the expense of recruiting; hiring and training new employees when business improves
- Saves money and keeps your skilled workforce intact
- Can be used in almost any type of business or industry
- Employees are spared the hardship of full unemployment and receive more income than if they were fully laid off



How Work Share Works

- Rather than being laid off, employees work a reduced number of hours and receive a portion of their potential weekly unemployment compensation based on the percentage of the reduction in hours

Example

If a worker's weekly benefit amount is \$360 and their hours and wages are reduced by 20%, the worker would receive a weekly Work Share benefit payment of \$72

$$(\$360 \times 0.20 = \$72)$$



Work Share Eligibility

- Must have paid wages for 12 of the previous quarters
- Unemployment taxes must be current (Waived by EO)
- Experience account balance must have "positive reserve"
(Waived by EO)



Work Share Requirements



Employee work hours reduced by at least 15% not more than 45%



All employees in the affected unit must participate



Cannot hire new employees into the affected work unit or transfer employees into the unit, nor reduce work hours below the number agreed



Plans may be approved for up to 52 weeks



Who Can Participate?

- Any employer who has a reduction in production, services or other conditions which will cause potential layoffs
- Participating employees must:
 - Be eligible for regular unemployment benefits
 - Be full time employees
 - Have earned a sufficient amount of wages in order to establish an unemployment claim and receive Work Share benefits

***Work Share does not apply to seasonal, temporary or intermittent employment**



Details for a Work Share Plan



- You can implement a Work Share plan for one or more departments, shifts or units. A unit consists of two or more employees.
- You have the flexibility to stop or continue within the timeframe of your approved application.



Work Share Contact Information

For more information about Work Share

visit us at Michigan.gov/uia

or call 844-WORKSHR (965-5747) or 855-484-2636 (OEO)



Employer Filed Claims (EFC)

Presented by Tawana Rogers, *EFC Unit*

Employer Filed Claims

- The EFC program allows authorized employers to submit unemployment claims information online on behalf of their full-time workers who are temporarily or permanently laid off.
- This fast, secure way of transferring claims information allows the employer to better manage the accuracy of the information provided to LEO-UIA. Using EFC also means employers will have a record of all approved layoffs to match against incoming unemployment charges to your account.



EFC Program Requirements

1

Have at least one or more layoffs yearly

2

Have full-time, permanent employees that file for unemployment benefits at least once a year

3

Have a Michigan Web Account Manager (MiWAM).
This is how to access and submit a file



Benefits to EFC Program Participants



An exclusive team of UI customer service professionals and a toll-free hotline to service the needs of EFC program participants and their workers



A temporary waiver of the work registration requirement are available to assist employers with workforce retention efforts during short-term layoffs



Informational meetings and custom help resource materials are available for employers and their workers prior to a known layoff



Authorization Process

- Consult with an EFC Analyst regarding the file specification to ensure all necessary claim information and software is available for claims submission
- Review email of the Memo of Understanding (MOU), File Specification and Sample File
- Company officer signs MOU
- EFC Analyst authorizes your employer account for Employer Filed Claims
- Informational seminars for upcoming layoff can be scheduled and informational fliers are drafted



EFC Memo of Understanding

- Signed by an officer of the company and the Michigan Department of Labor and Economic Opportunity / Unemployment Insurance Agency (UIA)
- The file will be submitted to UIA by the 8th business after the effective date of layoff
- The federal requirements relating to verification of each workers SSN have been met using W-2 verification system (SSNVS)
- All legal documents will be mailed to each claimant based on the contact information submitted by your company
- UIA agrees to electronically transmit a weekly list of benefit payments



EFC Monetary Determination

- UIA 1575C
- Your employer filed your claim
- Waiver information
- Claim summary, weekly benefit, weeks allowed and more



EFC Additional Claim Letter

- UIA 1220 – Additional claim
- Your employer filed your claim
- Waiver information
- Reporting Schedule



EFC Contact Information

For more information about EFC contact:

Tom Sanfilippo, *Manager* at 313-456-2229

Brad Jemerson, *Analyst* at 313-456-3807

Tawanna Rogers, *Anayst* at 313-456-2855

OEO Office at 855-484-2636 (Option 2)

Or email EFC@Michigan.gov



Trade Adjustment Assistance (TAA)

Presented by Samuel Johnson, *Benefits Division – Special Projects*

Trade Adjustment Assistance

- Potentially useful for Human Resources
- Provides assistance to workers who lose their jobs as a result of foreign trade (increase in imports, shift in production or acquisition of services from another country).
- Helps laid off workers return to work as quickly as possible at a comparable wage.



TAA Eligibility

- Individuals must have a qualifying separation on or after the impact date and before the expiration date of the certification to be eligible to apply for services.

*Workers who have a documented separation in the future (on or after the impact date and before the expiration date of the certification) may be eligible for Classroom Training and Registered Apprenticeships



Major Components of TAA

Case
Management
Services

Training

Job Search
Allowances

Relocation
Allowances

Reemployment
Trade
Adjustment
Assistance

Trade
Readjustment
Assistance

Health
Coverage Tax
Credit



Training

There are two types of training:

- Employer-Based
- Classroom

*Eligibility is determined by Michigan Works! and **must** be approved before enrolling in training



Employer-Based Training

There are three types of Employer-Based training

- On-the-job Training
- Customized Training
- Registered Apprenticeships



Job Search Allowances

- Assist workers to secure suitable work outside of their normal commuting areas
 - May be granted when suitable work is not available within 5 miles of your residence
 - Reimbursement of 90% of allowable costs, up to \$1,250



Relocation Allowances

- Enable workers and their families to relocate within the U.S. for suitable work
 - Must have a valid offer of suitable work that is more than 5 miles from your residence
 - Reimbursement of 90% of reasonable and necessary expenses incurred transporting you, your family, and your household items
 - Additional lump sum benefit of up to \$1,250 in addition to reimbursement of necessary expenses



Healthcare Coverage Tax Credit (HCTC)

- HCTC covers 72.5% of the premium amount paid by eligible individuals for qualified health insurance coverage
 - [IRS.gov/Credits-&-Deductions/Individuals/HCTC](https://www.irs.gov/Credits-&-Deductions/Individuals/HCTC)
- Available each month you are TRA or RTAA eligible:
 - Collecting TRA payments
 - Collecting Unemployment
 - Collecting the RTAA wage subsidy
- Qualified insurance coverage includes:
 - COBRA
 - A spouse's group plan for which his/her employer pays less than 50% of the cost
 - A non-group health insurance plan



Reemployment Trade Adjustment Assistance (RTAA)



RTAA is a wage subsidy to help bridge the salary gap between old wage and new wage



Individuals must be at least 50 years old and within the eligibility period to qualify



New job must pay less than the old job and less than \$50,000 per year (not counting overtime)



TAA Contact Information

For more information about TAA contact:

Workforce Development at
517-335-5858 or TAA@Michigan.gov

United States Department of Labor
[Doleta.gov/tradeact](https://doleta.gov/tradeact)



Follow-up UIA Information

Presented by Danene Test, *Field Audit Manager*

Will an Employee Benefit Claim affect me as the Employer?

- EXECUTIVE ORDER No. 2020-10, Temporary expansions in unemployment eligibility and cost-sharing, signed by Governor Gretchen Whitmer on March 16, 2020 indicates:

“Effective immediately, and continuing until April 14, 2020 at 11:59 pm, an employer or employing unit must not be charged for unemployment benefits if their employees become unemployed because of an executive order requiring them to close or limit operations.”

- Employees claiming unemployment must file with the unemployment office. When they claim unemployment benefits, you will receive a “Monetary Determination” letter (UIA 1575E) letting you know who filed the claim and how many weeks of eligibility that claimant has.



What if I am not listed as an affected industry?

If you are not an affected industry, benefit payments being charged to your employer tax account will result in an increased UI tax and tax rates.



Can I protest the Employee Benefit Claim?

Yes. As an employer you can protest the employee claim if you feel that the employee should not receive benefits. Protest instructions are located on the Monetary Determination letter you received informing of the claimant name and amount of weekly benefit.



I am requiring an employee to take a leave of absence due to COVID-19. Will the employee be eligible for unemployment benefits?

Yes. Executive Order 2020-10, permits benefits. However, workers who are receiving vacation pay, sick pay, or personal time off (PTO) pay, equivalent to their normal rate of pay, are ineligible for unemployed benefits. Also, if you provide your employee with severance pay, they may not be eligible for benefits.

Why? Because vacation, sick pay, PTO, and severance pay are all considered wages.



My employee is taking a voluntary, unpaid leave of absence as a result of COVID-19. Will the employee be eligible for unemployment benefits?

Yes. Executive Order 2020-10, permits the employee to be eligible for benefits.



What should I do if I cannot file my quarterly wage report or pay my UI taxes on time due to the COVID-19?

Wage detail and UI tax payments for the first quarter 2020 are due on April 25th. We know this is a busy time. We ask that you to file your quarterly reports and pay your UI taxes on time. However, you can request a waiver through your MiWAM account.

Employers can also be eligible for Apportionment. Apportionment can be requested if you are a contributory employer having 25 or less employees, you can spread your 1st quarter payment over 4 quarters. To do this you must log into MiWAM account and check the Apportionment box when filing your quarterly report.



We know that this public health crisis is creating economic hardship and an excruciating time for people, businesses of all sizes, and communities across the state. We are here to assist you.

Office of Employer Ombudsman (OEO)

1-855-484-2636

Additional Information

- [Michigan.gov/Coronavirus](https://www.michigan.gov/Coronavirus)
- [Michigan.gov/coronavirus/0,9753,7-406-98178_98455-521884--,00.html](https://www.michigan.gov/coronavirus/0,9753,7-406-98178_98455-521884--,00.html)
- [Michigan.gov/documents/coronavirus/EO_2020-9_Emergency_order_-_public_accommodation_final_signed_683915_7.pdf](https://www.michigan.gov/documents/coronavirus/EO_2020-9_Emergency_order_-_public_accommodation_final_signed_683915_7.pdf)
- [Michigan.gov/whitmer/0,9309,7-387-90499_90705-521790--,00.html](https://www.michigan.gov/whitmer/0,9309,7-387-90499_90705-521790--,00.html)
- [Michigan.gov/LEO](https://www.michigan.gov/LEO)



Additional Resources

For guidance on applying for seeking liquidity relief, including applying for an Economic Injury Disaster Loan, visit the Small Business Development Center or contact the Michigan Economic Development Corporation for support at (888) 522-0103.



Q&A

Thank you.



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