

What you need to know about the changes to unemployment insurance law

Following a change in state law signed by Gov. Whitmer on December 23, 2024, claimants who file new claims for unemployment beginning April 2 may be eligible for up to 26 weeks of unemployment insurance benefits. Public Act 173 also incrementally increases over the next three years the maximum amount for weekly benefits and dependents.

When do all the changes go into effect?

The changes will be applied to new claims filed on or after Wednesday, April 2, 2025, which is 91 days after the last day the Legislature was in session on Dec. 31, 2024.

What are the changes in the number of weeks?

Workers who file claims on and after April 2, 2025, would be eligible for a maximum of 26 weeks of benefits, an increase from the current 20 weeks.

What are the new maximum benefit amounts?

The increases phase in over the next three years.

- In 2025, the maximum benefit amount for qualified claimants will be \$446, increase of \$84 a week from the current \$362 a week.
- In 2026, the maximum benefit amount will be \$530, an increase of \$84 a week.
- In 2027, the maximum benefit amount will be \$614, an increase of \$84 a week.
- Beginning in 2028, the state Treasurer will decide a new amount annually based on the U.S. Bureau of Labor Statistics' Consumer Price Index.

What are the new amounts per dependent?

These rates will also be phased in over the next three years.

- In 2025, the rate will be \$12.66 for dependents, an increase from the current \$6 per dependent.
- In 2026, it will be \$19.33, an increase of \$6.67 per dependent.
- In 2027, it will rise to \$26.00, an increase of \$6.67 per dependent.
- Beginning in 2028, the state Treasurer will decide a new amount annually based on the U.S. Bureau of Labor Statistics' Consumer Price Index.

Will every applicant see a change in the number of weeks of benefits?

Not every applicant qualifies for the maximum number of weeks of benefits. The number of weeks a claimant is eligible to receive benefits is based on wages earned from current and previous employers during a prescribed timeframe.

Does the new law change the minimum number of weeks of eligibility?

No, how many weeks of benefits a claimant qualifies for depends on calculations made on their claim. The minimum number of weeks of eligibility will remain at 14. When the new law goes into effect on April 2, the range of weeks of eligibility will be from a minimum of 14 weeks to a maximum of 26 weeks.

How will UIA reconcile the January 1 date mentioned in the Public Act?

The increased weekly benefit and higher dependent amounts will be applied retroactively to claims to meet the January 1, 2025, effective date language in Public Act 173. Claims filed between January 1, 2025, and April 2, 2025, will be reviewed to see whether they meet the criteria for an increase in either the weekly benefit or dependent amount, or both. If it's determined a higher benefit amount applies, UIA will issue a monetary redetermination, send a letter to the claimant's MiWAM account, and issue and pay adjustments. Additional weeks won't be applied retroactively.

What does the extended weeks mean for people who have current active claims or exhausted their weeks of benefits before the changes go into effect?

The number of weeks of benefits a claimant is approved to receive on an current active claim or an exhausted claim won't change. The law's additional six weeks go into effect for new claims filed on or after April 2, 2025.

Will everyone see a change in benefit amounts?

No. The amount a claimant receives depends on how much was earned in wages during their benefit year.

Do most claimants use their full weeks of benefits?

Only 33 percent of claimants use the full number of weeks for which they qualify, according to the [UIA Economic Dashboard](#). The exhaustion rate is defined as the number of claimants drawing the final payment of their original entitlement for the weeks they are approved.

Will the changes affect taxes paid on unemployment benefits?

The money a claimant receives in unemployment taxes is subject to state and federal taxes. An increase in the amount of benefits received could mean an increase in the amount of taxes paid. When filing a claim, workers have the option to have UIA withhold a percentage of their

benefits for tax purposes. Claimants who are paid benefits in a given year receive a 1099-G tax statement the following January.

How does Michigan compare to other states under the new law?

When the new law goes into effect, it will join 35 other states in providing a maximum of 26 weeks of benefits, according to the U.S. Department of Labor (USDOL).

What other changes go into effect on April 2, 2025?

- [Public Act 239](#) says claimants can provide credible evidence to challenge being disqualified from receiving benefits if they miss three or more consecutive days of work without notifying their employer. A claimant must explain why they could not contact their employer and that they had not voluntarily left their job, or why they left their job as the result of their employer's actions.
- [Public Act 240](#) makes technical amendments and updates.

Are there any other changes to the law in the future?

Yes, under [Public Act 238](#) these changes go into effect on July 17, 2026:

- Modifies the requirements to qualify for financial hardship waivers and requires the agency to review basis for waiving overpayments before starting the process to recover overpayments.
- Requires an individual to search for work at least three times each week that they claim UI benefits and modifies work share plan requirements.
- Allows a person to request to consolidate certain matters on their claim before the agency transfers them to the Michigan Office of Administrative Hearings and Rules (MOAHR) for an appeal hearing. This will avoid scheduling multiple hearings before a judge.