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STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

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COVID-19 (Coronavirus) Unemployment Benefits Questions and Answers For Employers

Q. What programs are offered to assist businesses to keep workers during COVID-19?

A. If employers are financially distressed but hope to continue operations by cutting back hours, they are encouraged to use the Unemployment Insurance Agency's [Work Share program](#) that allows employers to maintain employment levels and business operations during declines in regular business activity rather than laying off workers. More information about the program can be found at www.michigan.gov/workshare.

The Michigan Economic Development Corporation's call center stands ready to support businesses looking for assistance through other available state programs. For more information, visit the MEDC's website: www.michiganbusiness.org or call 888.522.0103. The Michigan Small Business Development Center can also provide resources for small businesses impacted by COVID-19. Visit their website <https://sbdcmichigan.org/small-business-covid19/> for additional information.

Q. If I need to temporarily shut down my business due to a possible COVID-19 contamination or quarantine at the worksite. Will my UI tax rate increase if my employees file for benefits?

A. No, businesses who are temporarily closed due to COVID-19 will be granted relief from charges, and your tax rate will not be increased because of COVID-19-related claims.

Q. What if I need to temporarily lay off employees due to a slowdown of business which is not directly linked to COVID-19?

A. Due to the uncertainty regarding potential congressional action regarding whether and how furloughed workers will be able to access federal paid sick, family and medical leave resources, **employers are strongly urged to place employees on temporary leave and advise the worker that they expect to have work available within 120-days as opposed to termination.** There is no additional cost to employers, employees remain eligible for UI benefits through the state, and employees may remain eligible for potential federal assistance.

Here are some steps for employers placing employees on temporary unpaid leave:

- Do not terminate the employee – specify a temporary/indefinite leave with an expected return to work date that is within 120 days of the layoff date.

- Do not create a contractual obligation to bring the employee back to work – Let the employee know that the situation is fluid and subject to change.
- Provide the employee with a formal [Unemployment Compensation Notice](#) (Form 1711). Employers will need to provide their Employer Account Number and Federal Identification Number.
- Communicate to the employee about their rights. Under Governor Whitmer’s recent [Executive Order](#), workers are placed on leave, or are unable to work because they are sick, quarantined, immunocompromised, or have an unanticipated family care responsibility, are eligible for unemployment insurance benefits.
- Ensure employers are provided information on how to obtain unemployment insurance benefits. [A factsheet can be found here.](#)
- Get each employee’s up-to-date contact information.
- Let employees know if you will be putting updated information on the entity’s website or intranet, if applicable.
- Appoint a single, or limited number of individuals who will field questions, and communicate that information to employees.
- Keep a tally of all questions and answers. Periodically share with employees.

The state is monitoring issues related to continued medical insurance coverage and will update accordingly.

Q. What will happen to my employees if I go out of business due to impacts from COVID-19?

A. If you lay off employees due to a permanent closure, they should apply for unemployment benefits.

Q. Can my employees file a claim if they have COVID-19 and cannot come to work?

A. Your employees should first use paid sick leave or paid time off. However, if they are not receiving paid time off, they may be eligible for unemployment benefits.

Q. When should impacted employees file their claim?

A. A claim for unemployment benefits begins the week it is filed. Workers should file their claim during their first week of unemployment.

Q. Can my employees file for benefits if I tell them to stay home because I think they are a risk of spreading or at risk of contracting COVID-19?

A. Your employees should first use paid sick leave or paid time off; however, if they are not receiving paid time off, they may be eligible for benefits.

Q. Can my employees file for UI benefits if I reduce their hours because of COVID-19?

A. Yes