

State of Michigan

Information for State Classified Employees Placed on Indefinite Layoff



Michigan Civil Service Commission

Table of Contents

Overview	4
Layoff and Recall Information.....	5
How do I file for unemployment?.....	5
Unemployment	5
Unemployment Benefits.....	6
How can I find a new job?	6
Finding a New Job Within State Government	6
Finding a New Job Outside State Government.....	6
How can I continue my insurance and benefits?	7
Two Pay Period Premium Pre-Pay Upon Layoff.....	7
COBRA.....	7
What happens to my retirement funds?	8
Retirement.....	8
Defined Benefit Plan (DB).....	8
Defined Contribution (DC) with Subsidized Retiree Insurance Plan	9
Defined Contribution (DC) with Personal Healthcare Fund.....	9
401(k) and 457	9
401(k) Loans.....	10
Leave Time Issues for Non-Exclusively Represented Employees (NEREs) on Indefinite Layoff	10
Annual Leave Payoff or Freeze (NEREs)	10
Annual Leave Buy Back (NEREs).....	10
Leave Time Issues for Represented Employees on Indefinite Layoff.....	11
Annual Leave (AL) Payoff or Freeze.....	11
Annual Leave Buy Back.....	12
Leave Time Issues	14
Sick Leave	14
Banked Leave Time (BLT).....	14
Deferred Hours	14
Compensatory Time	14

[Return to Table of Contents](#)

[Education Programs..... 15](#)
[Who can I talk to about how I'm feeling?..... 15](#)
[Employee Service Program 15](#)
[Other Assistance Available to You 15](#)
[Contact Numbers and Websites..... 16](#)

Overview

This booklet consolidates resources and answers common questions for employees who have been or may be placed on indefinite layoff.

It provides a basic overview of issues employees may face and provides links to resources that can be accessed to assist with various subject matters. This booklet includes hyperlinks to related online resources.

Layoff and Recall Information

Layoff and recall information can be found in the following Civil Service Rules and Regulations:

- [Rule 2-4](#) (Layoffs)
- [Rule 2-5](#) (Employment Preference)
- [Regulation 2.01](#) (Bumping)
- [Regulation 2.02](#) (Agency Layoff Plans)
- [Rule 3-2](#) (Applicant Pools and Recall Lists)
- [Regulation 3.09](#) (Recall Lists)

Your HR Office can provide additional guidance on how layoff and recall will occur at your agency.

How do I file for unemployment?

Unemployment

The [Unemployment Insurance Agency \(UIA\)](#) can provide assistance, if you qualify, for unemployment insurance benefits. These benefits are intended to provide temporary income as you seek new employment.

- [How do I file an unemployment claim?](#)
 - You can file online or by phone. (See next page for details).
- [Michigan Works!](#)
 - After filing your unemployment claim, you must register for work at a Michigan Works! Service Center. They can help you create a resume, build interview skills, and find a new position. They also help with postage, paper, and access to computers and fax machines.
- [Need help filing your claim?](#)
 - Local UIA offices resolve customer problems and provide access to telephones, computers, and personnel.

Unemployment Benefits

The Unemployment Insurance Agency (UIA) has made the unemployment benefit process easier and faster. Just follow these three steps:

1. **Week 1 - File a Claim**
 - a. File your claim by phone or online using the [Michigan Web Account Manager \(MIWAM\)](#).
2. **Week 2 - Register for Work**
 - a. After the claim is filed, you must register for work by filing a resume at a [Michigan Works!](#) service center.
3. **Week 3 - Report to MARVIN to Receive Benefits**
 - a. To receive your benefits, you must report biweekly using [MARVIN](#).

How can I find a new job?

Finding a New Job Within State Government

The following resources can help with your job search within state government:

- [Finding Employment Within State Government](#)
 - governmentjobs.com/careers/michigan is the posting site for positions in the state classified service. You **must** apply online for all job postings. When you apply, be sure to answer Yes to the question "Are you a current State of Michigan governmental employee, or an employee of the Michigan Legislative branch, OR on layoff status from either?"
- [Career Services](#)
 - The Michigan Civil Service Commission, Office of Career Services can assist you with exploring career opportunities within any department of state government. Services include resume critique, cover letter development, interview preparation, assistance with connection to additional resources, and more.

Finding a New Job Outside State Government

Assistance is available to help with your job search outside state government:

- [Michigan Works!](#)
 - Michigan Works! is designed to assist you in finding a new career. There are Michigan Works! service centers located throughout the state of Michigan that you can utilize to help you prepare your resume and search for job opportunities.

- [Pure Michigan Talent Connect](#)
 - Pure Michigan Talent Connect is the place to be if you are a job seeker. You can search thousands of new job openings and post your resume to thousands of employers throughout the State of Michigan.
- [Jobs Within Federal Government](#)
 - USAJOBS.gov is the official job site of the federal government. Click on this link to find your one-stop source for federal jobs and employment information.

How can I continue my insurance and benefits?

Two Pay Period Premium Pre-Pay Upon Layoff

Employees laid off as a result of a reduction in force may be able to elect to pre-pay their share of premiums for medical, dental, vision, and life insurance for two pay periods after layoff by having the premiums deducted from their last paycheck.

During a layoff, you may have options to carry the following benefits:

- Medical, Dental, and Vision
- Flexible Spending Accounts (Health & Dependent Care)
- Life Insurance
- Voluntary Benefits (Benefits For Life)
- Long-Term Care

You may contact the MI HR Service Center at 877-766-6447 if you have questions about insurance and benefits continuation.

COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) allows employees and their dependents who have lost health coverage due to layoff, termination of employment, death, divorce, ineligibility, or other life events, to continue coverage for a limited time.

You will receive notices about COBRA coverage and application forms after your layoff. You must apply within 60 days. If you have questions after reading the notices, you may contact the Employee Benefits Division (EBD) at 800-505-5011.

[COBRA rates for insurance coverage during layoff.](#)

If you plan to retire while in layoff status you will need to enroll in COBRA for life insurance to retain the 25% of your current life insurance amount as a benefit during retirement.

What happens to my retirement funds?

Retirement

Retirement is important. Use the resources in this section to develop a strategic plan to use your retirement funds wisely.

There are a few, different retirement plans available to State of Michigan employees. Certain plans were only made available to those employees who were hired before a certain date. An employee may be enrolled in specific plans based on choices made during under P.A. 487 of 1996 or P.A. 264 of 2011. Review the information in this section for further details about each plan.

Not sure which plan you are enrolled in? The [Office of Retirement Services](#) (ORS) website has detailed information to help you determine which plan you are in. You may also call the ORS Customer Contact Center at 517-284-4400 or 800-381-5111. ORS is open weekdays from 8:30 a.m. to 5:00 p.m.

Defined Benefit Plan (DB)

You are a member of the Defined Benefit (DB) plan if you were hired before March 31, 1997, and you:

- Elected the DB Classified plan under P.A. 264 of 2011.
- Elected the DB 30 plan under P.A. 264 of 2011 and have not yet reached 30 years of service.

You are a member of the DB plan **and** a participant in the DC plan if you:

- Elected the DB 30 plan under P.A. 264 of 2011 and have reached 30 years of service.
- Elected the DB/DC Blend plan under P.A. 264 of 2011, and thus became a DC plan participant April 1, 2012.
- Began your state employment under the DB plan, left, and then returned to state employment on or after January 1, 2012, and before January 1, 2014.

While laid off, the money in your DC Plan will be invested according to your investment elections. See the [plan highlights](#) for additional information on hardship and regular distributions. For additional information visit the [Voya website](#) or contact Voya at (800) 748-6128.

Use the following resources to determine your DB retirement options:

- www.michigan.gov/orsstatedb
- [Leaving State Employment](#)

[Return to Table of Contents](#)

- [Ready to Retire](#)
- [Earning and Purchasing Service Credit](#)
- [miAccount](#) - manage your personal retirement account

You can contact ORS at 800-381-5111, at 517-284-4400, or using the [ORS Message Board](#).

Defined Contribution (DC) with Subsidized Retiree Insurance Plan

You are a participant in the Defined Contribution (DC) with Subsidized Retiree Insurance plan if you:

- Were newly hired by the State of Michigan on or after March 31, 1997.
- Began your state employment under the DB plan and chose to transfer to the DC plan under P.A. 487 of 1996. (You retain the DB insurance Subsidy.)

While laid off, the money in your DC Plan will be invested according to your investment elections. See the [plan highlights](#) for additional information on hardship and regular distributions. For additional information visit the [Voya website](#) or contact Voya at 800-748-6128.

If you are enrolled in the DC with Subsidized Retiree Insurance plan and choose to terminate state service, you may be entitled to post employment insurance benefits depending on your age and years of service. Call ORS at 800-381-5111 or 517-284-4400 or use the [ORS Message Board](#).

Defined Contribution (DC) with Personal Healthcare Fund

You are a participant in the Defined Contribution (DC) with Personal Healthcare Fund if you:

- Were newly hired by the State of Michigan on or after December 31, 2011.
- Elected the Personal Healthcare Fund under P.A. 264 of 2011.

While laid off, the money in your DC Plan will be invested according to your investment elections. See the [plan highlights](#) for additional information on hardship and regular distributions. For additional information visit the [Voya website](#) or contact Voya at 800-748-6128.

401(k) and 457

While in layoff status, the money in your 401(k) and 457 accounts will continue to be invested according to your investment elections.

A layoff is not considered a separation until recall rights expire and the employee is separated. While laid off, an employee cannot take distributions or loans from

[Return to Table of Contents](#)

401(k)/457 accounts but may apply for a hardship distribution. An employee who chooses to terminate state service before the expiration of their recall rights may be eligible to take a regular distribution. Please contact Voya at 800-748-6128 or visit <http://stateofmi.voyaplans.com> for additional distribution details.

401(k) Loans

Employees with 401(k) loans will need to continue making payments while on layoff to prevent the loans from defaulting. VOYA will re-amortize your loans to be paid on a monthly basis and send you a statement with your new loan payment amount. If you do not make loan payments for 90 days, the loan will be considered in default and the remaining balance will become a taxable distribution and may be subject to additional tax penalties.

For employees who choose to terminate service rather than remain in layoff status, all outstanding loans will be due in full within 30 days of the termination date. Loans not paid in full within 30 days of the termination date become taxable distributions and may be subject to additional tax penalties. Please check with your tax consultant for more details.

Leave Time Issues for Non-Exclusively Represented Employees (NEREs) on Indefinite Layoff

Annual Leave Payoff or Freeze (NEREs)

Employees may freeze annual leave up to the accrued balance or be paid off for up to the maximum payoff limit. ([See Civil Service Rule 5-10.2 \(a\)\(1\)\(B\)](#)). If frozen, the annual leave balance is retained until the employee elects to be paid off for the balance, recall rights expire, or the employee terminates state service. Payoff is calculated at the employee's last rate of pay.

If recall rights expire, the employee will be separated from state service and any remaining annual leave balance will be paid off at the employee's last rate of pay. ([See Standard A.6 of Regulation 5.09](#)).

Annual Leave Buy Back (NEREs)

An employee who chooses to be paid off at the time of layoff may buy back annual leave upon recall, subject to the following conditions:

- An employee recalled to an agency from which he or she was laid off may buy back any portion up to the total that had been paid off.
- An employee appointed to a permanent position in a different agency may buy back any portion that had been paid off up to 80 hours.

- Employees electing either of these options must buy annual leave at the returning rate of pay.
- Payment for leave purchases is made to the agency that made the original payoff.
- This option can be exercised only once per recall and must be exercised during the first 13 pay periods of recall.

Leave Time Issues for Represented Employees on Indefinite Layoff

Annual Leave (AL) Payoff or Freeze

UAW, MSEA, SEIC S&E, SEIU Tech, MCO:

- Can an employee freeze AL?
 - Yes, up to the accrued balance.
- Can an employee be paid off for AL at the time of layoff?
 - Yes, up to the maximum payoff limit.
- At what rate is AL paid off?
 - At the employee's last rate of pay.
- If AL is frozen, when is it paid?
 - The balance is retained until either the employee elects to be paid off for the balance or when the employee's recall rights expire, whichever occurs first.

AFSCME:

- Can an employee freeze AL?
 - Yes, up to the accrued balance.
- Can an employee be paid off for AL at the time of layoff?
 - Yes, up to the maximum payoff limit in the union contract.
- At what rate is AL paid off?
 - At the employee's last rate of pay.
- If AL is frozen, when is it paid?
 - If frozen, the employee can elect to be paid off at any point after 60 days from layoff, but before recall rights expire.

SEIU, HSS:

- Can an employee freeze AL?
 - Yes, up to the accrued balance.
- Can an employee be paid off for AL at the time of layoff?

- Yes, up to the maximum payoff limit in the union contract.
- At what rate is AL paid off?
 - At the employee's last rate of pay.
- If AL is frozen, when is it paid?
 - The balance is retained until either the employee elects to be paid off for the balance or when the employee's recall rights expire, whichever occurs first.

MSPTA:

- Can an employee freeze AL?
 - All annual leave is frozen. Upon recall from layoff, leave is recredited to the employee.
- Can an employee be paid off for AL at the time of layoff?
 - All annual leave is frozen. Upon recall from layoff, leave is recredited to the employee.
- At what rate is AL paid off?
 - At the employee's last rate of pay.
- If AL is frozen, when is it paid?
 - At the employee's written request, AL may be liquidated by the department after the effective date of layoff. If the employee suffers a loss of seniority, pursuant to the MSPTA collective bargaining agreement, Article, 11, Part A, Section 2, any frozen leave balances are paid as if the employee has separated from the department.

Annual Leave Buy Back

UAW, MSEA, SEIU S&E, SEIU Tech, MCO:

- If recalled to the agency that paid the AL, how much can the employee buy back?
 - Any portion up to the total paid off.
- If recalled to the same department, different agency than paid the AL, how much can the employee buy back?
 - Any portion paid off up to 80 hours.
- If rehired to a different department or agency than paid the AL, how much can the employee buy back?
 - The employee can buy back any portion paid off up to 80 hours.
- Buy back is at what rate of pay?
 - At the returning rate of pay.
- How often can I buy back my annual leave payoff?

- Only once per recall and must be exercised during the first 13 pay periods of recall.

AFSCME:

- If recalled to the agency that paid the AL, how much can the employee buy back?
 - If recalled within the agency, the employee can buy back any portion up to the total paid off.
- If recalled to the same department, different agency than paid the AL, how much can the employee buy back?
 - If recalled outside the agency within in the department, can buy back any portion paid off up to ten workdays.
- If rehired to a different department or agency than paid the AL, how much can the employee buy back?
 - N/A
- Buy back is at what rate of pay?
 - At the rate the AL was paid off.
- How often can I buy back my annual leave payoff?
 - Only during the first two pay periods after recall.

SEIU, HSS:

- If recalled to the agency that paid the AL, how much can the employee buy back?
 - Up to the amount paid off upon layoff but no more than 120 hours.
- If recalled to the same department, different agency than paid the AL, how much can the employee buy back?
 - N/A
- If rehired to a different department or agency than paid the AL, how much can the employee buy back?
 - N/A
- Buy back is at what rate of pay?
 - At the rate the AL was paid off.
- How often can I buy back my annual leave payoff?
 - Only during the first two pay periods after recall.

MSPTA:

- If recalled to the agency that paid the AL, how much can the employee buy back?
 - No buy back provision.

- If recalled to the same department, different agency than paid the AL, how much can the employee buy back?
 - No buy back provision.
- If rehired to a different department or agency than paid the AL, how much can the employee buy back?
 - N/A
- Buy back is at what rate of pay?
 - No buy back provision.
- How often can I buy back my annual leave payoff?
 - No buy back provision.

Leave Time Issues

Sick Leave

Sick leave balances are frozen for a laid off employee until returned from layoff to career employment in the state classified service.

Employees hired before and continuously employed since October 1, 1980, who are not recalled to career employment from layoff, are entitled to a payoff of a percentage of unused balances at their last rate of pay in accordance with the table found in [Civil Service Regulation 5.10, Standard D.1.b](#).

Banked Leave Time (BLT)

- BLT balances are frozen for a laid off employee until returned to career employment in the state classified service.
- The balance of any unused BLT hours is contributed to the employee's 401(k) account at the time that the employee's recall rights expire and the employee is separated.

Deferred Hours

- Deferred hours are frozen for a laid off employee until returned to career employment in the state classified service.
- Employees who are not recalled or elect to terminate state employment are paid off at the last rate of pay.

Compensatory Time

- At the time of layoff, unused compensatory time accruals of an employee who is laid off are paid at the base rate, or the average base rate received during the last 3 years, whichever is higher. Freezing of compensatory time accruals is not allowed. ([See Regulation 5.02, Standard A.2.h\(4\) and \(5\)](#)).

- For exclusively represented employees, please refer to your collective bargaining agreement.

Education Programs

- [MESP \(Michigan Education Savings Program\)](#)
 - If you have opened a 529 plan through MESP, you may contact them with questions about those funds at 877-861-6377.
- [MET \(Michigan Education Trust\)](#)
 - If you have a contract with MET, you may contact them to determine what your options are to stop or continue that fund at 800-638-4543.

Who can I talk to about how I'm feeling?

Employee Service Program

The [Employee Service Program \(ESP\)](#) can provide confidential services to employees impacted by a layoff. These free services include assistance with short-term problem resolution, stress management and coping strategies, and identification of and connection to resources.

For more information about ESP services, or to schedule an in-person or telephone appointment with an ESP counselor, you may contact either the Lansing or Detroit office. All contact and participation with the Employee Service Program are confidential and voluntary.

Offices are open weekdays from 8:00 a.m. to 5:00 p.m. Contact ESP at 800-521-1377.

Other Assistance Available to You

Many [Assistance Programs](#) are available to help during economic difficulties.

[United Way—2-1-1](#) (First Call for Help Program)

United Way First Call for Help is an information and referral line that links community members to resources throughout their communities for everything from childcare to emergency assistance. Visit their website or contact them at 2-1-1.

Contact Numbers and Websites

MI HR Service Center 877-766-6447

Employee Benefits Division 800-505-5011

[Civil Service Commission Office of Career Services](#) 800-788-1766

[Office of the State Employer](#) (OSE) 517-335-7400

[Office of Retirement Services](#) (ORS) 800-381-5111 or 517-284-4400

[Unemployment Agency Local Offices](#) 866-500-0017

[Voya Financial](#) 800-748-6128

[Employee Services](#) (ESP) 800-521-1377

[Pure Michigan Talent Connect Job Portal](#)

[Michigan Educational Savings Program](#) (MESP) 877-861-6377

[Michigan Education Trust](#) (MET) 800-638-4543