



**FACT SHEET #141 APRIL 2014**

**Claiming Underemployment Benefits in Michigan  
 (Underemployment and Excess Earnings)**

Underemployment is a situation in which a worker is employed, but his or her work hours and/or wages have been reduced other than at the worker’s request. However, under certain circumstances unemployment benefits may be available.

“Earnings” can include the following: a payment of a wage; room, board or other living expenses; vacation or holiday pay the employer designates to a particular week; or a payment made by an employer to a separated worker in lieu of required advanced notice of a discharge or layoff.

**How underemployment affects your account**

If the unemployed worker earned wages with an employer within the past 18 months and work hours were reduced based on reasons other than the worker’s request, the unemployed worker may be entitled to benefits. When the employer is paying more than the maximum charge per week the employer is entitled to an excess earnings credit.

The unemployed worker is required to report gross earnings (including lost earnings) each week (Sunday through Saturday) when certifying with MARVIN. Also, the worker must be able, available and seeking full-time work. Therefore, report any loss of earnings by a worker during any week resulting from any cause other than the failure of the employer to offer hours. This is considered lost earnings.

**How excess earnings affect your account**

A **contributing** employer may receive a credit for any week(s) the underemployed worker claimed benefits that were charged to that employer’s account. To receive the credit, the earnings the employer paid an underemployed worker must equal or exceed the employer’s weekly maximum potential benefit charge for that worker.

**How to calculate your maximum potential charge per week**

- A. Locate your maximum charge located on the Form UIA 1575 *Monetary Determination*
- B. Divide the maximum charge by the number of weeks to which the unemployed worker is entitled
- C. The result of the calculation is the maximum potential charge the employer’s account may be charged per week.

<p><b>EXAMPLE:</b>          Maximum amount = \$2,925.00          Maximum weeks = 20  <math>\\$2,925/20 = \text{maximum charge per week}</math>          \$146.25</p>	<p>If the claimant earns \$146.25 or more from your place of business in any week that your business is charged you are entitled to a credit.</p>
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**How to request an excess earnings credit**

- Wait until you receive Form UIA 1136, *Statement of Unemployment Benefits Charged or Credited to Employer Account*
- Review reported earnings provided to UIA by the unemployed worker
- Follow the “How To Protest” on the reverse side of Form UIA 1136
- Return protest to UIA by mail, fax, or online as instructed.

If you require assistance in determining your weekly maximum potential charge, please contact the Office of Employer Ombudsman (OEO) unit at 1-855-4UIAOEO (1-855-484-2636) or (313) 456-2300.