

MICHIGAN EMPLOYER ADVISOR

A Newsletter for Michigan Employers about Unemployment Insurance

Winter 2018

2019 Employer Tax Rates

Later this month, TIA-UI will mail *Form UIA 1771, Tax Rate Determination for Calendar Year 2019* to active contributing employers. This notice shows the tax rate that will be used to assess your taxes due for each quarter in 2019. It also includes a description of the information used to calculate your rate.

What's My Tax Rate?

Each year, you are assessed a new unemployment tax rate based on your experience over previous years. We consider your past UI benefit claims, payroll size, taxes paid (excluding the obligation assessment), and years of experience to determine the annual unemployment tax rate. Michigan's continued low unemployment rate and responsible management of the Unemployment Trust Fund has had a positive impact on average tax rates for employers. In 2018, tax rates dropped an average of 4.5% for Michigan businesses compared to the previous year.

Taxable wages, paid to each covered employee, are multiplied by the unemployment tax rate. The rate is applied to the first \$9,000 of payroll for each employee. Employers with an outstanding tax liability of \$25 or more or with any missing tax reports from previous quarters will pay this rate on the first \$9,500 of payroll for each employee. Employers with delinquencies can avoid the higher taxable wage base by filing any missing reports and paying delinquent taxes, penalties and interest. Delinquent employers will receive Form UIA 6354, *Notice of Continuation of \$9,500 Taxable Wage Base* which will provide the balance and the deadline by which it is due.



Unemployment tax rates range from .06% to 10.3%, plus an obligation assessment ranging from .72% to 2.42%. If you failed to file any quarterly reports between July 2017 and June 2018, you could receive a penalty up to 3% added to your computed rate. Check your MiWAM Account Alerts for your current balance.

What if I disagree with my tax rate?

If you disagree with your tax rate, you have 30 days to protest the determination. Instructions for how to submit a protest will be provided on the notice. For questions, contact the Office of Employer Ombudsman. You may send a web notice via your MiWAM account or call at 1-855-484-2636. TTY customers call 1-866-366-0004.

Changes in Holiday Pay

Form UIA 1136, *Statement of Unemployment Benefits Charged or Credited* is a valuable tool for you to monitor the accuracy of unemployment benefit payments impacting your tax rate. If you're an employer who has short term layoffs during certain holidays, we have updated the administrative process to reduce delays. Expect to see the charge for the designated holiday week reflected much sooner on your *Statement of Unemployment Benefits Charged or Credited*. Now when an unemployed worker reports that they have received or will receive holiday pay, they will report the gross dollar amount of the holiday pay for the designated holiday. We then calculate and issue their correct benefit payment amount without a delay. In most cases, the adjusted payment will be issued the next business day.

Review your *Statement of Unemployment Benefits Charged or Credited* to ensure the individual has reported the correct gross dollar amount earned for the designated holiday and any other earnings. If you find that the incorrect dollar amount was reported, you may file a protest.

For questions, contact the Office of Employer Ombudsman by sending a message via your MiWAM account, or call us at 1-855-484-2636.

IN THIS ISSUE:

Strategies to Assist
Employers and Workers

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The Talent Investment Agency is here to support you in finding the talent you need to operate a successful business. When needed, we also provide options to help lessen the impact of potential layoffs.

Work Share Program

TIA's Work Share program provides an alternative to layoffs for companies faced with a slowdown in production. With Work Share, companies can reduce an employee's hours, while employees collect partial unemployment benefits to make up a portion of the lost wages. Using the Work Share program enables a business to keep their skilled workforce intact, and save money incurred by having to recruit and train new employees down the road.

For example, a company needing to reduce payroll by 20% would be able to keep all of its employees but reduce their work week from five days to four. Through Work Share, workers would be able to receive partial benefits to compensate for the 20% reduction in pay.

The program works for businesses in all industries and sectors. For example, the owner of a Michigan, tax preparation company uses the Work Share program during the normal downturn in business she experiences each year. Although tax preparation is a year-round business, there are peaks and valleys throughout the year in which she needs to reduce staff. The Work Share program helps the company to save money but retain the experienced staff customers have come to depend on each year.

View the [Michigan Work Share program video](#) for more information about the program or visit the UI website at Michigan.gov/uia.

Rapid Response

TIA's Rapid Response program is a way to ensure that employees affected by a permanent layoff have access to resources that can help them transition to new employment as soon as possible.



Involving a mix of state agencies and local service providers, the objective of Rapid Response activities is to work with an employer, worker representatives, union representatives, and others to assess the situation, identify options for averting layoffs (retain local employers), and provide details on training and other tools to help employees find new employment.

The Rapid Response process begins when TIA is notified of an impending mass layoff or facility closure. A Rapid Response coordinator will then assist you in developing a *coordinated response* to the layoff or facility closure and its impacted workers. This includes on-site meetings where workers are provided with information on unemployment insurance benefits and information on reemployment services and training opportunities from the local Michigan Works! Agency.

Providing Rapid Response services to workers during layoffs or plant closings is a benefit to both workers and employers in that it helps workers to more likely return to work sooner which results in lower unemployment costs for employers.

For more information, contact the Talent Investment Agency Dislocated Services Section at (517) 335-5858.

Did You Know?

Any employer operating a business (liable employer) is required to file Quarterly Wage/Tax reports even if there were no employees and no wages paid during the quarter. If you are no longer operating a business, notify Unemployment Insurance by submitting form UIA 1772, **Notice of Change** by mail or through your MiWAM account.

Did You Know?

Fourth quarter (Oct-Dec) 2018 Employer's Quarterly Wage/Tax report is due by January 25, 2018.

You can send a message or inquiry to TIA-UI through your MiWAM account. From your MiWAM account home page, click I want to...then click "send Unemployment a message."

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Lynda Robinson, Editor; TIA is an equal opportunity employer/program.
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