

# WELCOME

Office of Employer Ombudsman  
2015 Employer Seminar

Coming Up Next...

# UI Benefits



# UNDERSTANDING and PROTECTING YOUR RATE

- A “contributing” employer’s state unemployment tax is based on its “experience”
- The “experience” is your history of benefit charges and unemployment tax payments
- To the extent benefit charges can be controlled, so can your “experience” and thus your rate



The key to controlling charges is understanding them and knowing how to avoid them:

- Understand how the claimant qualifies monetarily.
- Understand how the claimant can be disqualified or held ineligible and how to raise those issues if appropriate.



# BENEFIT PAYMENTS AND CHARGES

# Benefit Payment & Charges

The claimant must have been paid sufficient wages in the “Base Period” of the claim to qualify for benefits.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6
				Lag Quarter	Claim filed

The “Base Period” is normally the first 4, of the last 5, completed calendar quarters.

# Benefit Payment & Charges

The claimant must have been paid sufficient wages in the “Base Period” of the claim to qualify for benefits.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6
Emp A = \$2500	Emp A = \$2850 Emp B = \$1735	Emp B = \$2350 Emp C = \$500	Emp C = \$3500 Emp D = \$1500	Lag Quarter  Emp D = \$500	Claim filed  Emp D = \$150

# Benefit Payment & Charges

To determine if the claimant has been paid sufficient wages in the “Base Period” to qualify for benefits; two criteria must be met:

- ✓ Claimant must have “High Quarter” gross wages of at least \$2,871; and
- ✓ Claimant must have total gross Base Period wages of at least 1.5 times “High Quarter” gross wages

# Benefit Payment & Charges

The claimant must have been paid sufficient wages in the “Base Period” of the claim to qualify for benefits.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6
Emp A = \$2500	Emp A = \$2850 Emp B = \$1735	Emp B = \$2350 Emp C = \$500	Emp C = \$3500 Emp D = \$1500	Lag Quarter  Emp D = \$500	Claim filed  Emp D = \$150

- ✓ Claimant’s “High Quarter” in the Base Period was Quarter 4, with gross wages of \$5000.
- ✓ Claimant’s total, gross wages in the Base Period equaled \$14,935, which is greater than 1.5 times \$5000 (or \$7500).

# Benefit Payment & Charges

The claimant must have been paid sufficient wages in the “Base Period” of the claim to qualify for benefits.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6
				Lag Quarter	Claim filed

If the claimant does not have sufficient wages in the standard “Base Period” to establish a claim, the Agency will check the wages in the claimant’s “**Alternate Base Period**,” which is the last 4 completed calendar quarters.

# Benefit Payment & Charges

The claimant must have been paid sufficient wages in the “Base Period” of the claim to qualify for benefits.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6
				Lag Quarter	Claim filed

If the claimant does not have sufficient wages in the Standard or Alternate “Base Periods” to establish a claim, the Agency will apply the “**Alternate Earnings Qualifier**” which requires 1) wages in at least 2 calendar quarters, *and* 2) the total gross base period wages of at least 20 x “State Average Weekly Wage” (20 x \$893.44 = \$17,868.80).

## Benefit Payment & Charges

- Once the claimant has qualified for a claim based on Base Period wages, the Agency calculates the claimant's weekly benefit amount:
- The **gross, high quarter wage** is multiplied by 4.1% (0.041). In addition, **\$6.00** is added for each claimed dependent, up to 5. Then the result is rounded down to the next lower dollar amount. That is the worker's weekly benefit amount. But the weekly benefit amount is capped by law at **\$362**.

## Benefit Payment & Charges

- So, for a claimant with high quarter wages of \$5,000 and 2 dependents, the weekly benefit amount would be calculated as follows:
  - $\$5,000 \times 0.041 = \$205$
- Adding \$12 for the 2 dependents gives a weekly benefit amount of **\$217**.
- Any cents are rounded down to the next lower dollar amount.

# Benefit Payment & Charges

- Once the claimant's weekly benefit amount is calculated, the maximum number of weeks allowed on the regular state claim is calculated.
- The claimant's **total, gross wages in the base period** of the claim are multiplied by 43% (0.43), and the result is divided by the claimant's calculated weekly benefit amount.
- That result is then rounded down to the nearest  $\frac{1}{2}$  number, and that is the number of weeks of benefits payable on the claim.
- But the minimum is set by law at 14 and the maximum at 20.

# Benefit Payment & Charges

So, for a claimant who has base period wages of \$14,935 and a weekly benefit amount of \$217.00 the calculation is:

$\$14,935 \times 0.43 = \$6,442.05 \div \$217 = 29.59$   
rounded down to 29.5 weeks, but the cap set by law is **20 weeks**.

# Benefit Payment & Charges

Benefits are payable on a new claim within a 52-week period called a “Benefit Year.”



# Benefit Payment & Charges

Benefits payable to the claimant in a week are reduced by the following kinds of payments:

- ★ Earnings for services performed in the week (even if not paid during that week).
- ★ Vacation pay, holiday pay, or severance pay **paid** in the week
- ★ Vacation pay, holiday pay, or severance pay **allocated** by the employer to the week, even if not actually paid in that week.

To allocate *vacation pay* to a specific week(s), the employer must inform the claimant, in writing, before the last day of work prior to the period of allocation, of:

- 1) the fact of the allocation,
- 2) the period it will cover, and
- 3) the fact that the allocation could render the claimant ineligible for unemployment benefits for the week(s) of the allocation period.



# Benefit Payment & Charges

These payments reduce benefits using two rules:

- ★ For every \$1.00 earned in a week (or received/allocated in the week, if vacation pay, holiday pay, or severance pay), unemployment benefits are reduced by 40¢.
- ★ The combination of earnings and benefits payable in the week cannot exceed 1.6 times the claimant's weekly unemployment benefit amount.

# Benefit Payment & Charges

STEPS	INSTRUCTIONS FOR THIS STEP	CALCULATION UNTIL 9/30/15
A	Enter the weekly unemployment benefit amount.	\$120
B	Enter the amount of the gross earnings (before taxes) in the calendar week (Sunday through Saturday week). Round down to the nearest whole dollar.	\$140
C	Multiply the gross earnings in "B" by "0.4" [ $\$140 \times 0.4$ ] This is the amount of benefit reduction for the week.	\$56
D	Subtract "C" from "A" [ $\$120 - \$56$ ]. Round down to the nearest whole dollar. If the result is zero or less than zero, enter "o" as your answer. This is the new weekly benefit amount.	\$64
E	Add together "B" and "D" [ $\$140 + \$64$ ]. This is the combination of earnings plus the new weekly benefit amount.	\$204
F	Multiply "A" by 1.6 [ $\$120 \times 1.6$ ]	\$192
G	Subtract "F" from "E" [ $\$204 - \$192$ ]. Round down your answer to the nearest whole dollar. If the result is zero or less than zero, enter "o" as your answer.	\$12
H	Subtract "G" from "D" [ $\$64 - \$12$ ]. Round down your answer to the nearest whole dollar. The answer you get will be the amount of the unemployment benefit payment for the week.	\$52



# Benefit Payment & Charges

How an employer's account is charged for the benefits:

- “Last” (most recent) employer is charged 100% of the first 2 weeks of benefits, if that employer paid the claimant at least \$2,072 in gross wages in the claimant's last period of employment with that employer.
- Each Base Period employer is charged, beginning with week 3, the same percentage of the weekly benefit amount as the employer's percentage of Base Period wages.

# Benefit Payment & Charges

How an employer's account is charged for the benefits:

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6
Emp A = \$2500	Emp A = \$2850 Emp B = \$1735	Emp B = \$2350 Emp C = \$500	Emp C = \$3500 Emp D = \$1500	Lag Quarter  Emp D = \$500	Claim filed  Emp D = \$150

- Employer A paid \$5,350 of \$14,935 = 35.8%
- Employer B paid \$4,085 of \$14,935 = 27.4%
- Employer C paid \$4,000 of \$14,935 = 26.8%
- Employer D paid \$1,500 of \$14,935 = 10.0%



# Benefit Payment & Charges

In accordance with Section 20(f) of the MES Act, if benefits for a week of unemployment are charged to a contributing employer, which the claimant during that week earns remuneration that equals or exceeds the amount of benefits charged to that employer, those benefits shall be charged to the non-chargeable benefits account and will not appear on this statement.

# Benefit Payment & Charges

UIA 1136  
(Rev 09-13)

Letter ID: L0000047737

Dispute can be reported here, as can information about wages paid for week, and request for noncharge.

**How to Protest:** If you disagree with these charges and/or credits, you may protest and request a redetermination. Your protest of charges/credits should include the claimant's name, social security number, employer account number, date the adjustment was issued, week ending date involved, the amount of the charge/credit, and the reason for disagreeing with the charge/credit. If you disagree with the charges based on the claimant working full-time hours, availability or ability, please provide a description of the situation involving the claimant's eligibility.

Claimant name	SSN	Week Ending date	Reported Earnings	Actual Earnings	Working Full - Time	Was not Able / Available
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
<b>Additional Information:</b>						

**Timely Protests:** To be filed on time, protests must be received by the UIA within thirty (30) calendar days from the MAIL DATE shown on this form. If the 30th day is a Saturday, Sunday, legal holiday, or Agency non-work-day, the protest must be received by the next day which is neither a Saturday, Sunday, legal holiday or Agency non-work-day. Direct your protest to the address or fax number listed below.

**QUESTIONS:** If you have any questions, please contact the Office of Employer Ombudsman (OEO) at 1-855-4UIA/OEO (855-484-2636) or by e-mail at [OEO@michigan.gov](mailto:OEO@michigan.gov)

Mail or Fax to:  
**UIA**  
**PO Box 169**  
**Grand Rapids MI 49501-0169**  
**FAX: (517) 636-0427**

#### Adjustment Type Codes Listed on Detail of Charges and Credits

- 01- NORMAL EMPLOYER CHARGE FOR BENEFITS PAID TO UNEMPLOYED WORKER - NEWCHARGE
- 02-NORMAL EMPLOYER CHARGE/CREDIT ADJUSTMENT - ADJUSTMENT
- 03-CREDIT DUE TO RESTITUTION - RESTITUTION
- 04-EXTENDED BENEFITS - EB
- 05- YEAR OLD VOID
- 06-RESTITUTION ADJUSTMENT
- 07-CHARGE FOR BENEFITS PAID BY ANOTHER STATE ON COMBINED WAGE CLAIM
- 08-ADJUSTMENT FOR BENEFITS PAID BY ANOTHER STATE ON COMBINED WAGE CLAIM
- 09- RECHARGE DUE TO CANCELLATION OF RESTITUTION
- 10-ANY OTHER TYPE



LARA is an Equal Opportunity Employer/Program.

# Benefit Payment & Charges

UIA 1575E  
(Rev. 10-13)  
Rick Snyder  
GOVERNOR



State of Michigan  
Department of Licensing and Regulatory Affairs  
Unemployment Insurance Agency  
3024 W Grand Blvd, Detroit, MI 48202  
www.michigan.gov/uia



Authorized By  
MCL 421.1 et seq.  
Shaun Thomas  
DIRECTOR

JAMMIN' JAMES  
3024 W GRAND BLVD  
DETROIT MI 48202-6024

Mail Date: March 7, 2014  
Letter ID: L0000077455  
EAN: 2002262 000  
Name: JAMMIN' JAMES

Mail To: UIA  
PO Box 169  
Grand Rapids MI 49501-0169  
FAX: (517) 636-0427

## MONETARY DETERMINATION

Dear JAMMIN' JAMES,

JON JAMES's claim for unemployment insurance benefits was filed on 02/23/2014. The claim has been processed to determine if JON JAMES has met the requirements and is monetarily eligible to receive benefits.

It is determined that JON JAMES is able to establish a claim for unemployment benefits. The claimant meets the monetary requirements.

However, the claimant reported a separation reason of **QUIT** with you. A determination must be issued regarding whether or not the claimant is qualified to receive benefits based on this separation. This determination will be sent in a separate mailing.

This determination is effective beginning 02/23/2014.

### Claim Information

- Claimant Social Security number: 333-55-1111
- Benefit year begins (BYB): 02/23/2014
- Benefit year ends (BYE): 02/21/2015
- Weekly benefit amount: \$246.00. Figure based on high quarter wages of \$6,000.00
- Number of dependents: 0
- Number of weeks of benefits: 19.00
- Base period begins 01/01/2013 and ends 12/31/2013

### Base Period Wages and Employer Account Charges

Employer Name	Base Period Wages	Separation Reason (reported by claimant)	Separating Employer Charge	Non-Charge Amount	Total Potential Maximum Charge to Account

Name of Claimant

Base Period; Benefit Year; Dependents allowed; Weekly Benefit Amount and Duration



LARA is an Equal Opportunity Employer/Program.

# Benefit Payment & Charges

UIA 1575E  
(Rev. 10-13)

Letter ID: L0000077455

**“Separating Employer”** wages, separation reason, potential charge

Employer Name	Base Period Wages	Separation Reason (reported by claimant)	Separating Employer Charge	Non-Charge Amount	Total Potential Maximum Charge to Account
JAMMIN' JAMES	\$6,000.00	Quit	\$0.00	\$0.00	\$2,281.23
EASTONS EATERY	\$5,000.00	Laid Off	\$492.00	\$0.00	\$2,392.77

**“Base Period Employer”** wages, separation reason, potential charge

#### Employer Charging Messages

- Total Potential Maximum Charge is the full amount charged to your account if the claimant is paid the full weeks of benefits (no earnings/remuneration to reduce any benefit payments and all weeks allowed are paid).

#### Protesting Charges

Your account will be charged for benefits as shown unless you notify the Unemployment Insurance Agency (UIA) of any possible ineligibility/disqualification and provide specific details. Benefits paid in accordance with this monetary (re)determination will be considered properly paid and **will not be changed** unless the UIA receives new, corrected, or additional information from you within 10 calendar days after the mail date shown on this form if the claimant was terminated, or within 30 calendar days if the claimant quit (voluntary leaving).

**To meet the 10 day deadline, information must be received no later than 03/17/2014.**

If you disagree with this determination and provide information showing your account should not be charged after the 10 day deadline described above, but within 30 days of the mail date, any redetermination of chargeability will be effective with the week in which the information is received except for a voluntary leaving separation. A redetermination of chargeability on a voluntary leaving separation is effective from the beginning of the claim if the information is received within 30 days.

**To meet the 30 day deadline, information must be received no later than 04/07/2014.**

If your request for a redetermination of chargeability is received after the 30-day period, it will be denied unless you establish a good cause for failure to protest within the 30-day period.

#### How to Protest

- Protests must be made in writing. You can submit your protest on your MiWAM account, or mail or fax your protest to the UIA address listed on the front of this form.
- Clearly state the reason for disagreeing with the (re)determination.
- List the claimant's name and Social Security number.
- Include the company name and UIA account number.
- Provide supporting documentation to support your protest.

For assistance, call the Office of Employer Ombudsman at 1-855-484-2636 (TTY callers use 1-866-366-0004).

# Benefit Payment & Charges

Last date for UIA to  
receive "timely"  
protest

UIA 1575E  
(Rev. 10-13)

Letter ID: L0000077455

→ This determination becomes final unless the UIA receives your protest no later than:  
04/07/2014

# Benefit Payment & Charges

UIA 1575E  
(Rev. 10-13)

Letter ID: L0000077455

### Other Protests

In addition to specifically protesting this determination, you may also use the charts below to notify the UIA of any other circumstances regarding possible disqualification of ineligibility for benefits using the same "How to Protest" rules shown earlier.

Claimant Name: JON JAMES

Social Security Number: 333-55-1111

If you are making **special payments** to the claimant **after** the Benefit Year Beginning (BYB) date, complete the information below.

	Gross dollar Amount	Period From (month/day/year)	Period To (month/day/year)	Date Paid (month/day/year)
<input type="checkbox"/> Earnings				
<input type="checkbox"/> Holiday/Vacation Pay				
<input type="checkbox"/> Severance				
<input type="checkbox"/> Pay in Lieu of Notice				
<input type="checkbox"/> Sick Pay				
<input type="checkbox"/> Lost Earnings				
<input type="checkbox"/> Sales commission or Consultation fee				
<input type="checkbox"/> Short Work Week or On-Call Pay				

If you are paying the claimant a **retirement pension**, complete the information below.

Monthly Amount	Effective Date	Date of First Payment	Check the box below that reflects the amount the claimant contributed to his/her retirement.		
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Did not contribute	Contributed less than 1/2 the cost	Contributed 1/2 or more of cost

**Additional Information:**

### Separation Information

The claimant indicated the separation reason with you as QUIT. You are being sent separate correspondence with fact-finding questions through your MIWAM account and/or a separate mailing. Please respond to those questions as requested.

Reporting actual payments, or allocated payments

Reporting retirement benefit contributed to by employer.



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