



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 15, 2023

Honorable Gretchen Whitmer
Governor of the State of Michigan

Honorable Joe Tate
Speaker of the House

Honorable Winnie Brinks
Senate Majority Leader

Honorable Matt Hall
House Minority Leader

Honorable Aric Nesbitt
Senate Minority Leader

Rich Brown
Clerk of the House

Dan Oberlin
Secretary of the Senate

Dear Governor Whitmer & Members of the Legislature:

In accordance with Section 8 of the *Michigan Employment Security Act*, being Section 421.8 of the *Michigan Compiled Laws*, the Department of Labor and Economic Opportunity, Unemployment Insurance Agency is required to report annually to the Governor and the Legislature any amount, in excess of \$1.00, that the maximum weekly unemployment benefit rate would increase if the annual increase in the United States Department of Labor's Consumer Price Index (CPI) were applied to the maximum weekly benefit rate for Michigan.

I am; therefore, transmitting to the Governor, and to the House and Senate for publication along with this letter in the *Journals* of their respective bodies, the enclosed report showing that since the last increase in the maximum weekly benefit rate to \$362.00, the increase in the CPI would result in an increase in the maximum weekly unemployment benefit rate to \$579.33.

Respectfully submitted,

A handwritten signature in cursive script that reads "Julia Dale".

Julia Dale, Director
Unemployment Insurance Agency

Attachment

Annual Review of Maximum Weekly Benefit Rates Report

The intent of Section 8 of the Michigan Employment Security Act was to establish a method to be used to ensure that the maximum weekly benefit rate (MWBR) under Section 27(b) is related to the increases in the cost of living standards. The Department of Labor and Economic Opportunity, Unemployment Insurance Agency compares the Consumer Price Index for the December prior to the most recent increase in the Michigan weekly benefit amount (MWBR) to the Consumer Price Index for the most recent December and applies that percentage increase or decrease to the MWBR. If the change in the MWBR equals or exceeds \$1.00, that fact is reported to the Governor and the Legislature. The chart below shows the calculation:

Consumer Price Indexing

December 2022 = 268.700 CPI
December 2001 * = 167.9 CPI

*The last increase in MWBR was 4/26/02. December 2001 was the last December prior to that increase.

$268.700 / 167.9 = 1.6004$

Current MWBR = \$362.00

$\$362.00 \times 1.6004 = \579.33

The consumer price indexing method takes into account the increase in the value of the U.S. Dollar

Source: United States Department of Labor's Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Detroit-Warren-Dearborn for December 2022.