




**COVID-19**

UPDATE:  
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**Coronavirus / COVID-19  
Response Team**


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**COVID-19  
Unemployment Update**

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## Agenda: Unemployment Update

- CARES Act Enhanced Unemployment Benefits
  - 2104 - Traditional Unemployment Claims
  - 2102 - Self-employed, 1099, ICs, Insufficient Base Period Wages
  - 2107 - More Benefits After You Run Out of Normal Benefits
- Earnings During Unemployment - Still Receive The \$600?
- How Are Employer's Getting Charged for EUBs?
  - Contributing Employers; Reimbursing Employers (2103)

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## CARES Act – Section 2104

- Section 2104 - Emergency Increase in Unemployment Benefits
- Extra money for people who are eligible for unemployment (*\$600/week*)
  - Examples: most employees that have worked and earned W-2 wages over the last 1.5 years
  - This section covers most of your workers

## CARES Act – Section 2104

- Who can collect section 2104 benefits?
  - Individuals that are ELIGIBLE for state UI benefits; and
  - NOT DISQUALIFIED in accordance with state law
    - 2104 benefits are not linked to COVID-19.
- An individual that is not ELIGIBLE under state law or DISQUALIFIED under state law – cannot receive 2104 enhanced benefits
  - Under the current Executive Order, most people are automatically eligible – even if they voluntarily quit (for a COVID-19 reason)

## CARES Act – Section 2104

- How much are 2104 benefits?
  - State UI benefit + \$600/week (In MI, up to \$962/week)
  - NOT DISQUALIFIED in accordance with state law
    - 2104 benefits are not linked to COVID-19.
- How long to 2104 benefits last?
  - Until July 31, 2020 – In Michigan, they will be paid out for a total of 17 weeks
    - March 29<sup>th</sup> – July 25<sup>th</sup>
    - 17 x \$600 = \$10,200 in extra UI benefits through July

## 2104 Benefits Questions

- When will my laid off workers start receiving the \$600?
  - Some are receiving it now
  - Other will be receiving it very soon
  - Begins week of March 29<sup>th</sup>-April 4<sup>th</sup>
  - Paid out through the week of July 19<sup>th</sup>-25<sup>th</sup>
    - If you have not received your \$600 for prior weeks of unemployment – UIA will eventually pay it all to you in a lump sum (catch-up payment)

## CARES Act – Section 2102

- Pandemic Unemployment Assistance (PUA) Program
- Section 2102 - “*Unemployment for people not normally eligible for unemployment*”
- Sole proprietors, independent contractors, Gig workers, certain agricultural workers, LLC members, partnerships, church employees, new members to the workforce
  - No/insufficient reported base period wages to the UIA – so these individuals normally cannot establish a state UI claim

## CARES Act – Section 2102

- Who can collect section 2102 benefits?
  - NOT ELIGIBLE for normal state UI benefits
  - ABLE to work
  - AVAILABLE for work
  - SELF-CERTIFY that your unemployment or partial unemployment is related to COVID-19

## CARES Act – Section 2102

- Section 2102 COVID-19 factors:
  - Diagnosed with COVID-19 or are experiencing symptoms of COVID-19
  - A member of the household has been diagnosed with COVID-19
  - Individual is caring for a family member or household member diagnosed with COVID-19
  - Individual is caring for a child that is unable to attend school due to a COVID-19 public health emergency, and sending the child to school is required for the individual to work

## CARES Act – Section 2102

- Section 2102 COVID-19 factors (contd):
  - Individual cannot reach work because of a quarantine due to COVID-19
  - Individual was advised by HCP to self-quarantine due to COVID-19 concerns
  - Individual was scheduled to commence employment and does not have job or cannot reach it due to COVID-19 (\*Applies to most laid off workers)
  - Individual has become breadwinner in the home because previous breadwinner died due to COVID-19

## CARES Act – Section 2102

- Section 2102 COVID-19 factors (contd):
  - Individual had to quit job as direct result of COVID-19
  - Individual's place of employment closed due to COVID-19
  - Individual meets additional criteria described by the Secretary of Labor; or
  - Individual is self-employed and is seeking part-time employment but does not have sufficient work history to qualify for regular unemployment benefits, AND meets a COVID-19 factor above

## CARES Act – Section 2102

- If an individual's unemployment or partial unemployment is – in any way – related to COVID-19 – he/she will receive an enhanced unemployment benefit under section 2102
- EXCEPT – does not include an individual:
  - Ability to “telework” with pay; or
  - Receiving paid sick leave or other paid leave

## CARES Act – Section 2102

- How much is the 2102 benefit?
  - State UI benefit amount + \$600 (In MI, up to \$962/week)
- How long does the benefit last?
  - Up to 39 weeks - until December 31, 2020
- Is it retroactive?
  - Yes - Individuals covered by section 2102 can receive the benefits retroactively back unemployment week Feb. 2-8, 2020 in Michigan
  - Additional \$600 kicker runs through unemployment week July 19-25, 2020 - 25 total weeks
    - UIA may not pay the \$600 retroactive back to Feb. 2

## CARES Act – Section 2107

- Section 2107 – Pandemic Emergency Unemployment Compensation (PEUC)
- More benefits after you run out of your normal state UI benefits - 13 extra weeks
- Examples: When people exhaust their 26 weeks of Michigan unemployment benefits, they will use this for 13 more weeks.



## CARES Act – Section 2107

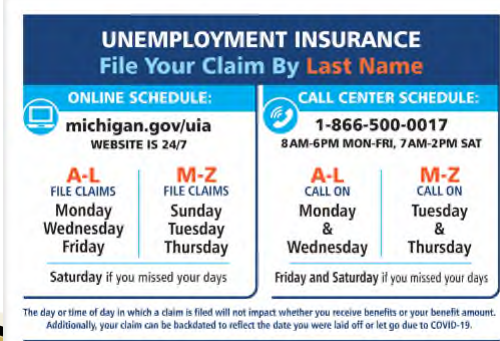
- Who can collect 2107 benefits?
  - Individuals that have EXHAUSTED REGULAR UNEMPLOYMENT COMPENSATION;
  - Have NO RIGHT TO OTHER COMPENSATION during a particular week under any state or federal law;
  - Are not receiving Canadian UI compensation; and
  - Are - ABLE TO WORK, AVAILABLE TO WORK, AND ACTIVELY SEEKING WORK (and are NOT DISQUALIFIED).
  - 2107 benefits are not linked to COVID-19.

## CARES Act – Section 2107



- How much are 2107 benefits?
  - State UI benefit + \$600/week (In MI, up to \$962/week)
- How long do they last?
  - 13 weeks
- Most people laid off in the last few weeks will not be eligible for 2017 benefits until mid-September (used up weeks earlier – sooner)
  - The additional \$600 expires on July 31, 2020
    - For most people - the additional 13 weeks will be the state UI benefit amount only- paid through 2107

## Filing For Unemployment – Tips

- 1,000,000 claims in the last 2 weeks – UIA computer system overwhelmed – crashing
- Follow this schedule to apply for benefits:



**UNEMPLOYMENT INSURANCE**  
File Your Claim By **Last Name**

ONLINE SCHEDULE:		CALL CENTER SCHEDULE:	
 <b>michigan.gov/uia</b> WEBSITE IS 24/7		 <b>1-866-500-0017</b> 8 AM-6 PM MON-FRI, 7 AM-2 PM SAT	
<b>A-L</b> FILE CLAIMS Monday Wednesday Friday	<b>M-Z</b> FILE CLAIMS Sunday Tuesday Thursday	<b>A-L</b> CALL ON Monday & Wednesday	<b>M-Z</b> CALL ON Tuesday & Thursday
Saturday if you missed your days		Friday and Saturday if you missed your days	

The day or time of day in which a claim is filed will not impact whether you receive benefits or your benefit amount. Additionally, your claim can be backdated to reflect the date you were laid off or let go due to COVID-19.

## Filing For Unemployment – Tips

- File between 8pm-8am (yes -middle of the night)
- Have employer wage information and FEINs over the last 1.5 years
  - W-2s; 1099s
- Give workers a UIA 1711 at lay-off – Contains helpful information for their UI claim
- 2102 claimants – The system crashed the first day
  - Try not to panic – everyone will receive their benefits – it will take some time

## Earnings Impact Benefits

- Earnings during weeks of unemployment reduce and can eliminate benefits that week
- If earn 1.5 x weekly benefit amount (WBA) or more – then unemployment is **zero** that week
  - \$362 WBA – if earn \$543 or more during one week – no state unemployment
  - If earn less then benefits are reduced – but you still receive a state benefit – “Underemployment” (See calculation on next slide – Fact Sheet 140)

## Earnings Impact Benefits

Earnings equal or exceed 1.5 times your Weekly Benefit Amount (WBA)	A. WBA = \$362.00 B. Total Earnings = \$600.00 C. $\$362 \times 1.5 = \$543.00$ D. If B is more than C, then you will not receive a benefit payment for this week.
Earnings are less than 1.5 times your WBA, but greater than your WBA, total earnings are subtracted from 1.5 times your WBA.	A. WBA = \$362.00 B. Total Earnings of \$420.00 C. $\$362 \times 1.5 = \$543.00$ D. If B is more than A, then subtract earnings from C. $\$543.00 - \$420.00 = \$123.00$
Earnings are equal to or less than your WBA, 0.5 times your earnings are subtracted from your WBA.	A. WBA = \$362.00 B. Total earnings of \$101.00 C. If B is less than A, see the calculation below $\$101 \times .5 = \$50.50$ $\text{WBA } \$362 - \$50.50 = \$311.50$ You receive \$312.00

## What About The \$600?

- If you receive even \$1 in state UI benefits - you will get the full \$600 on top of that (\$601)
- If your earnings during a week of unemployment takes your state benefit down to zero, you will get nothing (NO state benefit and NO \$600)

## What About The \$600?

- Example: \$350 WBA; works 20 hrs @ \$20/hr; \$400 gross wages
- 1.5 WBA = \$525
- $\$525 - \$400 = \$125$  state UI payment + \$600
  - Total UI benefit = \$725
  - Laid off worker makes  $\$400 + \$725 = \$1,125/\text{week}$ 
    - Same worker works 30 hours that week
    - \$600 gross wages - more than 1.5 times WBA - NO UNEMPLOYMENT that week
    - Worker only receives \$600/week
      - The 10 additional hours matter to this laid off worker

## SUB Plans

- A supplemental unemployment benefit plan (“SUB Plan”) is the only surefire way to make payments to laid off workers without reducing their weekly unemployment benefits
- Work Share too

## Do WS Participants Receive The \$600?

- WS – Reduce hours/partial UI benefit – alternative to layoffs
- Yes – Per DOL UIPL 14-20 and 15-20
- Some members of the UIA are stating that WS Program participants are ineligible for the additional \$600
  - That is incorrect
  - I believe the UIA will figure this out and get it right
    - LEO Director Donofrio confirmed in a webinar yesterday (4/14) – WS participants receive the \$600.

## Employer Charging - EUBs

- **Contributing Employers**
  - 2104 - State benefit amount - No charge for \$600
  - 2102 - Nothing (100% federally funded)
  - 2107 - Nothing (100% federally funded)
- **Reimbursing Employers**
  - Governmental employers; Non-profit elective reimbursers (Section 2103 - relief to reimbursers)
    - 2104 - 50% state benefit amount - No charge \$600
    - 2102 - Nothing (100% federally funded)
    - 2107 - Probably nothing - but maybe 50% of state benefit amount
      - Max reimbursement liability = \$181/week/employee

## EO 2020-24 And UIB Charging

- **Covers March 16th through April 22nd**
  - If employee was “laid off” or placed on “leave of absence” - no charges
    - Maybe not reimbursers
    - Watch UIA 1136 charge statements

6. Any benefit paid to a claimant that is laid off or placed on a leave of absence must not be charged to the account of the employer(s) who otherwise would have been

charged but instead must be charged to the Unemployment Insurance Agency's non-chargeable account. Effective March 25, 2020 at 11:59 pm, the benefits conferred on employers by this section are not available to employers determined to have misclassified workers.

## Additional Questions

- Still working regular shift, why did employee file for UI benefits? Maybe lost other job – or fraud
- Are UI benefits taxable? Yes – can be withheld (1099-G)
- How do I respond to UIA claims?
  - Tell the truth
    - We have work available – employee not showing up – employee said it was for this reason:
      - Scared but no symptoms
      - Symptoms
      - Just stopped showing up – but we have work available



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