



**COVID-19**

UPDATE:  
October 29, 2020

**Coronavirus / COVID-19  
Response Team**

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**Unemployment Update**

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## Today's Agenda

- Executive Order legal saga
- Current amount and length of weekly benefits
- COVID-19 related absences from work
  - Will my workers receive unemployment benefits?
- Work Share programs
- Fraud and identity theft problems
- Contributing and reimbursing employer account charging problems
- Reimbursing employer 50% credits under the CARES Act

## Executive Orders: Unemployment

- Four Executive Orders (EO) significantly impacted UI benefits from March 16 - May 7
  - EO 10, 24, 57, 76
  - Extended to 26 weeks
  - Modified eligibility and disqualification to account for COVID-19 issues
  - Modified employer account charging
- Mich. Supreme Court invalidated all EOs after April 30
  - Are any of the UI changes in these EOs still valid?

## PA 229: Effective Oct. 20

- Executive and Legislative branch cooperation - finally
- PA 229 made most of the UI changes in EO 76 law - at least through the end of 2020
- Incorporated the EO changes that allowed unemployed workers with COVID-19 issues to receive unemployment benefits
- COVID-19 provisions in PA 229 last until Jan. 1, 2021

## How Much Are The Benefits?

- Additional \$600/week from the CARES Act - Expired (July 25)
  - \$962/week is over
- Maximum Michigan state UI benefit = \$362/week
- Lost Wages Assistance (Presidential Executive Order) = Additional \$300/week (covers 6 weeks)
  - \$662/week for unemployed weeks from July 26 - Sept. 5
    - UIA still processing these payments, so claimants are still receiving the additional \$300/week
      - However -the additional \$300/week is over

## Benefits For Unemployed Weeks Beginning September 6

- Maximum UI benefit in Michigan = **\$362/week**
  - Will that change? Maybe - let's see what happens on November 3
    - Current pending bills to extend the additional \$600/week; additional \$200/week; 70% replacement income

## How Long Do The Benefits Last?

- Up to 59 weeks
- State benefits = 26 weeks
- Pandemic Emergency Unemployment Compensation = 13 weeks
- Extended benefits = 20 weeks
- Total = 59 weeks of benefits

## COVID-19 Related Benefit Issues

- Unemployed individual is not disqualified if left work voluntarily or took a leave of absence or went on medical leave because:
  1. Individual self-quarantined or isolated because he/she is immunocompromised; or
  2. Individual displayed a common symptom of COVID-19 (not otherwise associated with another known medical condition); or

## COVID-19 Related Benefit Issues Not Disqualified (Cont.)

3. Individual had contact, within the last 14 days, with a confirmed diagnosis of COVID-19; or
4. Individual needed to care for another individual with a confirmed diagnosis of COVID-19; or
5. Individual had family care responsibilities as a result of a government COVID-19 directive
  - If individual is receiving paid sick leave or disability benefits to cover the leave - not eligible for UI benefits

## Examples

- Employee leaves work for 1-2 weeks because he/she has a fever or cough or shortness of breath. Benefits? Yes
- Employee undergoing cancer treatment or recently had treatment. Benefits? Yes
- Employee needs to care for spouse (or friend) that has COVID-19. Benefits? Yes
- School shut down for 2 weeks – Employee needs to supervise children. Benefits? Yes
  - School shut down until the end of the year. Benefits? Yes.
    - Must be otherwise eligible for benefits

## Examples (Cont.)

- Employee states cannot come in for 14 days because his/her friend just positive for COVID-19 (and there was contact). Benefits? Yes
- Employee is out for 4 weeks and is receiving FFRCA paid leave or PTO. Benefits? No
- Employee worked 3 days, went home with symptoms, tested negative, returned after missing 3 days. Benefits? Probably not.
  - Earn \$543 (1.5 x WBA) in a week = No unemployment
  - Only miss a partial week: usually no unemployment benefits or only a smaller, reduced benefit

## Examples (Cont.)

- Employee has no symptoms, not immunocompromised, had no contact with any positive individuals – employee is scared to come to work – perhaps several positive cases in the workplace. Employee takes an unpaid week off. Benefits?
- No
  - Being scared to come to work is understandable
  - However, employee should not receive unemployment benefits for that week

## Work Share Programs


- A Work Share program allows to keep your employees working with reduced hours/pay, while employees collect partial unemployment benefits to make up a portion of their lost wages
  - Instead of 50 layoffs; 50 employees continue to work at 50% pay and 50% reduced work schedule
- Limitations – less flexibility; technically cannot lay off anyone in the work share unit; benefits must be maintained
  - Employer should not be charged for Work Share benefits through December 26<sup>th</sup> – fully federally funded

## Fraud and Identity Theft

- EPIC levels of fraud and identity theft in the UI system
  - Watch your UIA 1136 Weekly Charge Statements
  - Watch your UIA 1575 Monetary Determinations
    - Charged for current employees that are working?
    - Charged for employees that quit 5 years ago?
- Employer's should report fraud/identity theft through the UIA's website or through their MiWAM account
- Employee must report fraud too (if still can be contacted)
  - Online reporting is the best. Click "Report Identity Theft"
  - Employee must submit UIA 6349 Statement of Identity Theft



## UIA 6349

UIA 6349 (Rev. 03-19)  **RESET FORM** Authorized by MCL 421.1 et seq.

GRETCHEN WHITMER GOVERNOR STATE OF MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY UNEMPLOYMENT INSURANCE AGENCY JEFF DONOFRIO DIRECTOR

### Statement of Identity Theft

Name: \_\_\_\_\_ Claim #/Date: \_\_\_\_\_  
SSN: \_\_\_\_\_

I did not file or attempt to reopen a claim for unemployment benefits with the information above.  
 I did not certify for unemployment benefits on the claim listed above.  
 I did not receive any funds from the payment of unemployment benefits on the claim listed above.  
 I would like this claim filed in my name to be withdrawn.

Contact Information: Address: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**Certification:** I certify that the information I have reported is true and correct. I understand that if I intentionally make a false statement, misrepresent facts or conceal material information to obtain benefits, I may be required to repay benefits, charged penalties and could be subject to criminal prosecution.

Signature \_\_\_\_\_ Date \_\_\_\_\_ Telephone Number \_\_\_\_\_  
Print Name \_\_\_\_\_

You can return this form in person at your local Unemployment Insurance Agency (UIA) Office. To find the nearest UIA Local Office, go to [www.michigan.gov/ia](http://www.michigan.gov/ia) under *UIA Quick Links*. You can also return this form by mail to the

## Employer Charging Issues

## Employer Charging Issues

- According to EO 24, 57 and 76 and new PA 229
- Benefits paid to claimants “laid off” or “placed on leave of absence” in response to COVID-19 (business slow down/RIF, etc) must not be charged for their benefits
- March 16 – December 31
- Must be charged to the UIA’s nonchargeable account

## Employer Charging Issues

- This is not happening – Employers are still being charged for COVID-19 related lay offs
- This could substantially increase your UI tax rates for 2021 (or your current reimbursement liability)
  - Will the UIA fix this problem? Maybe – in July, the UIA said it would fix this issue – has not happened for everyone
  - Take action if your company:
    - Has a substantial amount of payroll (and UI taxes are a large expense); or
    - You are a reimbursing employer and you paid large UIA bills in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2020

## Review Your UIA 1136 Weekly Charge Statements

- Are you getting charged for individuals that were laid off due to the COVID-19 slowdown?
- Did you pay reimbursements for employees that were laid off due to COVID-19?
- Yes – Consider protesting
  - New law – You have one year to protest charges from the date that you were charged (i.e., the date of your UIA 1136 Statement)

**Reimburseurs – 50% Discount**

## CARES Act Section 2103

- 50% discount on reimbursements to reimbursing employers (public/governmental employers; certain nonprofit employers)
- On all benefits from March 12 - December 31
- In short, 50% off of your on your charges from March 12 - December 31
  - If you had COVID-19 related layoffs: your second and third quarter UIA bills were very large - 50% off is significant

## Reimbursers – 50% Discount

- This is not happening
- Most reimbursers are still getting fully charged
- Why?
  - UIPL 18-20: Must pay 100% and 50% refund later
  - Protecting Nonprofits from Catastrophic Cash Flow Strain Act of 2020:
    - March 12 - Aug. 3: states can choose a method
    - August 3 and on: must charge 50% of the state benefit
  - UIPL 18-20: changed on August 12

## Will You Get 50% of Your Reimbursements Back?

- Probably - UIA may fix this on its own
- What should reimbursers do?
  - Pay third and fourth quarters under protest - MiWAM
  - Watch UIA 1136 charge statements - protest them if you are not getting charged for 50% of the state benefit
    - Protest up to 1 year from the date you are charged for the benefits
  - **Make sure you only end up paying 50% for all benefits charged to you from March 12 through Dec. 31**



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## Back to Work Resource Center

<https://resources.millerjohnson.com/>

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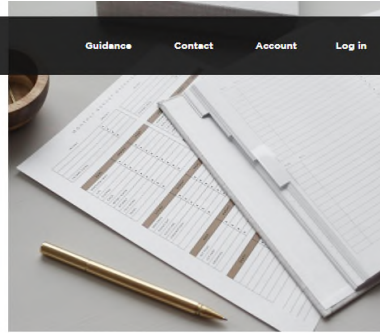
Guidance Contact Account Log in

Our **Back to Work Resource Center** provides a single source option for employers who are wrestling with the legal and practical consequences of a changed world.

For less than the cost of a typical handbook update, you gain access to an extensive collection of resources and Miller Johnson work product that we are confident will provide meaningful support to your efforts to navigate waters that are not only choppy but continuously changing direction.

Here is a sampling of what subscribers will find:

- Forms, Plans and Policies - we have drafted templates for you to put into service immediately
- Practical Guidance - tools to effectively, safely and confidently return to work incorporating best practices from outside organizations, including community partners such as Spectrum Health
- Industry Specific Guidance - pages devoted to industries singled



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