



## **COVID-19: Unemployment Benefits Frequently Asked Questions**

### **Q: Are our employees eligible for unemployment due to layoffs or closures related to the COVID-19 crisis?**

**A:** Yes, most employees who are laid off due to COVID-19 will be [eligible](#) to receive unemployment insurance (UI) benefits. Under the [Executive Order](#) (E.O.) the Governor issued on March 16, 2020, UI benefits are extended to:

- Workers who have an unanticipated family care responsibility, including those who have childcare responsibilities due to school closures, or those who are forced to care for loved ones who become ill.
- Workers who are sick, quarantined, or immunocompromised and who do not have access to paid family and medical leave or are laid off.
- First responders in the public health community who become ill or are quarantined due to exposure to COVID-19.

The State is also seeking solutions for self-employed workers and independent contractors who traditionally do not have access to unemployment insurance.

Eligible employees should apply for unemployment benefits online at [Michigan.gov/UIA](https://Michigan.gov/UIA) or by phone at 1-866-500-0017. A factsheet on how to apply for benefits can be found [here](#). Additional unemployment resources for employers can be found [here](#) and for workers [here](#).

### **Q: Will my account be charged for UI benefits paid due to COVID-19 and, if so, how will it impact my UI tax rate?**

**A:** The Governor's E.O. clarifies that an employer or employing unit must not be charged for unemployment benefits if their employees become unemployed because of an Executive Order requiring them to close or limit operations (see [E.O. 2020-9](#)). The E.O. applies to claims filed between March 16 and April 14, 2020. So, for example, if your business is a restaurant, cafe, coffee house, bar, tavern, brewpub, distillery, club, movie theater, indoor or outdoor performance venue, gymnasium, fitness center, recreation center, indoor sports facility, indoor exercise facility, exercise studio, spa or casino, this provision would apply to you.

### **Q: If I lay someone off will they also be eligible to receive UI benefits and federal paid sick leave benefits?**

**A:** No. At this point, employees will be eligible for UI benefits OR federal paid sick leave benefits – but not both. The Unemployment Insurance Agency (UIA) is encouraging employers to put employees on unpaid or paid leaves of absence so they can preserve the right to receive federal paid sick leave benefits. The benefit of federal paid sick leave is that:

1) it is expected to be funded by the federal government through refundable tax credits; and 2) the rate of pay to the employee is expected to be higher than UI.

**Q: How many weeks are workers eligible for benefits?**

**A:** The Governor's E.O. temporarily increased the number of weeks from 20 to 26 weeks. There is a strong possibility that the federal government could extend benefits beyond 26 weeks at some point (e.g., during the great recession, benefits were available for up to 99 weeks).

**Q: Do workers have the obligation to seek work during this time?**

**A:** No, the normal in-person registration and work search requirements were suspended by the Governor's E.O.

**Q: I'm trying hard not to lay off my employees. Are there other ways to manage through COVID-19 without layoffs?**

**A:** Yes, the Governor's E.O. expands the State's Work Share program. The Work Share program permits employers to maintain operational productivity during declines in regular business activity instead of laying off workers. More information about Work Share can be found [here](#). It's important to note that the E.O. allows all employers to take advantage of the program, regardless of whether the employer's reserve in the employer's experience account as of the most recent computation date preceding the date of the employer's application is a positive number.

**Q: What can you tell us about the Small Business Loans that will be available to businesses?**

**A:** At our urging, Governor Whitmer is seeking additional solutions for small businesses impacted by COVID-19. Earlier this month, Congress passed legislation that makes \$1 billion available to the U.S. Small Business Administration (SBA) to provide low-interest loans to small businesses, small agricultural cooperatives, and nonprofits that have suffered substantial economic losses as a result of the COVID-19 pandemic. The Governor has informed SBA that she is seeking an Economic Injury Disaster Loan Declaration for the state and has initiated the process to receive the declaration from SBA. Once granted, small businesses in qualifying areas will be able to access low-interest loans through the SBA. In the interim, we are encouraging small businesses that could benefit from SBA loans to start collecting the information they'll need to complete and submit their application. Examples of information needed can be found [here](#). For additional information, or to obtain help preparing the loan application in advance of the declaration, please contact the [Michigan SBA offices](#) in Detroit or Grand Rapids. We will share other information as it becomes available.

**Q: Do I have to pay my UI tax bill on April 25?**

**A:** In Michigan, UI tax returns and payments are due by the 25th day after the close of each calendar quarter. At this time, that date has not been moved back or changed, but the Michigan Chamber is pressing the Whitmer Administration to delay the filing and payment deadlines without penalty.

**Q: Who can I contact to get help with unemployment issues?**

**A:** The Michigan Chamber offers a free Unemployment Insurance Assistance Hotline to its members: 586-412-0400, ext. 4000. In addition, you may contact Wendy Block, Vice President of Business Advocacy and Member Engagement, at [wblock@michamber.com](mailto:wblock@michamber.com).