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STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

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COVID-19 (Coronavirus) Unemployment Benefits Questions and Answers For Employers

Q1. What programs are offered to assist businesses to keep workers during COVID-19?

A. If employers are financially distressed, but hope to continue operations by cutting back hours, they are encouraged to use the Unemployment Insurance Agency's [Work Share program](#) which allows employers to maintain employment levels and business operations during declines in regular business activity, rather than laying off workers. More information about the program can be found at www.michigan.gov/workshare.

Q2. If I need to temporarily shut down my business due to a possible COVID-19 contamination or quarantine at the worksite, can I receive a relief of benefit charges?

A. An employer or employing unit will not be charged for unemployment benefits if their employees become unemployed because of an executive order requiring them to close or limit operations.

Q3. Will my UI tax rate increase if my employees file for benefits?

A. An employer or employing unit that is required to close or limit its operations due to an executive order, will not have a UI tax rate increase if its employees file for benefits.

Q4. What if I need to temporarily lay off employees due to a slowdown of business which is not directly linked to COVID-19?

A. Due to the uncertainty regarding potential congressional action regarding whether and how furloughed workers will be able to access federal paid sick, family and medical leave resources, **employers are strongly urged to place employees on temporary leave and advise the workers that they expect to have work available within 120-days as opposed to termination.** There is no additional cost to employers, employees remain eligible for UI benefits through the state, and employees may remain eligible for potential federal assistance.

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Here are some steps for employers placing employees on temporary unpaid leave:

- Do not terminate the employee – specify a temporary/indefinite leave with an expected return to work date that is within 120 days of the layoff date.
- Do not create a contractual obligation to bring the employee back to work – Let the employee know that the situation is fluid and subject to change.
- Provide the employee with a formal [Unemployment Compensation Notice](#) (Form 1711). Employers will need to provide their Employer Account Number and Federal Identification Number.
- Communicate to the employees about their rights. Under one of Governor Whitmer's recent [Executive Orders](#), workers who are placed on leave, or who are unable to work because they are sick, quarantined, immunocompromised, or have an unanticipated family care responsibility as a result of a government directive, are eligible for unemployment insurance benefits.
- Ensure employers are provided information on how to obtain unemployment insurance benefits. [A factsheet can be found here.](#)
- Get each employee's up-to-date contact information.
- Let employees know if you will be putting updated information on the entity's website or intranet, if applicable.
- Appoint a single or limited number of individuals who will field questions and communicate that information to employees.
- Keep a tally of all questions and answers. Periodically share information with employees.

The state is monitoring issues related to continued medical insurance coverage and will update accordingly.

Q5. What will happen to my employees if I go out of business due to impacts from COVID-19?

A. If you lay off employees due to a permanent closure, they can apply for unemployment benefits.

Q6. Can my employees file a claim if they have COVID-19 and cannot come to work?

A. If an employee has COVID-19 and cannot come to work, he or she should first use any paid sick leave or paid time off prior to applying for unemployment benefits. If an employee does not have any paid sick leave or paid time off, they may be eligible for unemployment benefits.

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Q7. When should impacted employees file their claim?

A. A claim for unemployment benefits begins the week it is filed. Workers should file their claim during their first week of unemployment.

Q8. Can my employees file for benefits if I tell them to stay home because I think they are a risk of spreading or at risk of contracting COVID-19?

A. If you tell an employee to stay home because you think her or she is at risk of spreading or contracting COVID-19, he or she should first use any paid sick leave or paid time off prior to applying for unemployment benefits. If an employee does not have any paid sick leave or paid time off, they may be eligible for unemployment benefits.

Q9. Can my employees file for UI benefits if I reduce their hours because of COVID-19?

A. Yes

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