

UPDATE ON MICHIGAN UNEMPLOYMENT WORK SHARE PROGRAM

As a result of the pandemic and ensuing unemployment crisis, the Michigan Unemployment Insurance Agency ("UIA") has relaxed the employee eligibility requirements and employer requirements for the Work Share program. The UIA has recently further clarified the Work Share program which, in light of the expected changes to the Payroll Protection Program ("PPP"), may be a valuable option for employers that don't have enough work for all of their employees. The Work Share program permits employees to continue to earn wages while also collecting a portion of unemployment benefits.



Here are some highlights and requirements of the revised Work Share program:

- The employer must complete the Work Share application and have a Plan approved through its MIWAM account on the UIA website - see the UIA [Work Share Toolkit](#).
- The plan must have a minimum of two employees.
- An employer may have multiple plans.
- Employee hours/wages must be reduced by a minimum of 10%, up to a maximum of 60%.
- The program does not apply to seasonal, temporary or intermittent employees.
- The affected employees receive a reduced amount of the regular Michigan unemployment benefits based upon the reduction incurred - e.g. if an employee's hours are reduced by 30%, they receive \$108/week in unemployment (which is 30% of the max \$362 payment).
- Every employee that receives any amount of Michigan unemployment benefits will also receive the entire \$600 per week federally funded Pandemic Unemployment Assistance payment through July 25, 2020 (while such employee remains eligible for unemployment).
- All employees within one plan must be treated the same (i.e. all are reduced at the same percentage).

However, employers that obtained a PPP loan should carefully consider the effects of a Work Share plan on their PPP forgiveness.

This memo is intended only as a summary and general overview. If you have any questions or would like legal advice regarding the above or any other employment issue, please contact [David Lawrence](#) or [Stacey DiDomenico](#).