

Michigan Unemployment Insurance Update in Response to COVID-19

On March 16, 2020, Governor Whitmer issued Executive Order 2020-10 expanding worker eligibility for unemployment insurance benefits for workers **directly affected** by the COVID-19 (coronavirus) pandemic. The Executive Order **temporarily** amends certain portions of the Michigan Employment Security Act (i.e. the unemployment insurance laws) until April 14, 2020 at 11:59 p.m., to relax eligibility requirements and allow affected persons to receive unemployment benefits.



1. Expanded Eligibility

In the event an employee is not working and not being paid during a work week for any of the following reasons, that employee will be treated as involuntarily terminated, laid off or on unpaid leave and, therefore, "unemployed" and eligible for unemployment benefits:

1. Self-isolation or self-quarantine in response to
 - an elevated risk because they are immunocompromised
 - displaying symptoms of COVID-19
 - having come into contact within the last 14 days with someone who has a confirmed case of COVID-19;
2. The need to care for someone with a confirmed case of COVID-19; or
3. The responsibility to care for family members as a result of a government directive (i.e. school closing).

An employee on a leave of absence (in order to continue health insurance benefits per the applicable policy or otherwise) due to any of the aforementioned reasons must also be considered "unemployed" and eligible for unemployment benefits, unless that employee is already on paid sick leave or receiving a disability benefit.

It's important to note that an unemployed worker must still meet the other usual requirements (e.g., qualifying benefit weeks, ability to work, etc.) in order to receive unemployment benefits for any particular work week. Remuneration such as wages from the same or another job, vacation pay, paid time off, severance pay and employer paid COBRA premiums will affect a worker's eligibility to receive benefits for the particular work week(s) for which such remuneration is received.

2. Enhanced Benefits

In addition, access to benefits for unemployed workers will also be enhanced as follows:

- Payment of benefits will be increased from 20 to 26 weeks;
- The application eligibility period will be increased from 14 to 28 days; and
- The normal in-person registration and work search requirements will be suspended.

Lastly, employers will not be charged for unemployment benefits paid to employees who become "unemployed" as a result of an executive order requiring them to close or limit operations (e.g., school teachers and dine-in restaurant employees). Note, that's a small subset of the eligible employees referenced above.

In this time of crisis, many employers will be required to make reductions in force. Accordingly, employers should consider these expanded unemployment benefits and eligibility when choosing between a layoff without benefits, an unpaid leave of absence with benefits, and other options.

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