

## Michigan's Work Share Program

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During the aftermath of the Great Recession, the United States Department of Labor allowed the state Unemployment Insurance Agencies (UIA) to institute a new program known as "Work Share." This program may now be very relevant as businesses seek to retain employees during COVID-19.

Work Share allows employees to share available work at reduced hours and receive partial unemployment benefits. For example: If an employer were faced with laying off 3 critical full-time employees, it may be more beneficial for the company to reduce the hours of each employee and allow each to collect partial unemployment insurance (UI) benefits which correspond to the reduction in the employee's hours.

Employers interested in utilizing a Work Share Plan must seek plan approval from the UIA in advance of the Plan's implementation. A Work Share Plan must affect all employees within a particular unit (minimum of 2 employees), must certify that participation in Work Share is in lieu of a temporary layoff, and provide that the affected workers will have their hours reduced by at least 15% but not more than 45% of their regular hours. Plans can be approved for up to 52 weeks. If an employer would like to modify an approved Work Share Plan, it must submit a new Plan to the UIA for approval.

Employers looking to have a Work Share Plan approved may do so **here**.

Typically, an employer's UIA Tax account must have a "positive" reserve in order for the employer to apply for a Work Share Plan. However, as a result of Executive Order 2020-10, employers that are "negative" balance with their UI accounts are allowed to qualify for the program through April 13, 2020. It is unknown at present if the negative balance qualifier will be extended beyond that date.

For interested employers, basic program qualifiers could change given what Congress may do with the forthcoming "stimulus package" and how parts of that package may affect qualifications for Work Share or other programs yet to be implemented at a state level.

Interested employers should contact the UI Office of Employer Ombudsman at 1-855-484-2636 for assistance in applying for this program or for latest program updates

Finally, the Michigan Unemployment Insurance Agency is naturally under stress at this critical time. In the past, the U.S. Department of Labor added resources to assist state UIA build capacity to deal with the volume of employee and employer inquiries and issues. We anticipate that the same will happen now as the Michigan UIA goes from normal operations to critical service status.

As always, Miller Canfield is available to assist you with your questions and concerns and will keep you informed of events as they develop. Please do not hesitate to contact us if we can be of assistance.

*This information is based on the facts and guidance available at the time of publication, and may be subject to change.*