

# Standard Practice Guide Policies

## Unemployment Compensation

201.78

**Applies to:** All university Staff Members

### I. POLICY

Current and former university employees who meet eligibility requirements may draw unemployment insurance benefits during periods of unemployment or underemployment, in accordance with the Federal Employment Security Amendments of 1970. Eligibility requirements will vary by state.

### II. DEFINITIONS

- A. **Administrative Law Judge (ALJ):** A judge who both presides over trials and adjudicates the dispute involving administrative law. An ALJ can administer oaths, take testimony, rule on questions of evidence, and make factual and legal determinations. An ALJ may also be referred to as a Hearing Office.
- B. **AmeriCorps Member:** An individual who performs a service in an AmeriCorps program and receives wages. The service performed is part of an unemployment work relief program that is assisted by the federal, state, or local government.
- C. **Base Period:** The first four of the last five completed calendar quarters in which an individual files a claim.
- D. **Benefit Week:** A calendar week that starts at 12:01 a.m. Sunday and ends at 12:00 midnight the following Saturday.
- E. **Benefit Year:** The 52 consecutive calendar weeks beginning with the first calendar week in which the claimant files an application for unemployment benefits. A benefit year ends one year from the effective date of the claim.
- F. **Claim:** A new claim for unemployment benefits. The new claim is filed to request a determination of entitlement and eligibility for compensation.
- G. **Claimant:** A totally or partially unemployed person who files for unemployment benefits.
- H. **Combined Wage Claim:** An unemployment claim filed in one state using wages earned in two or more states.
- I. **Contributing Employer:** A private, for-profit employer who pays an unemployment insurance tax based on the employer's Quarterly Wage Tax Report and a set dollar amount as determined by each state. A contributing employer may also be referred to as a taxable employer.
- J. **Employer:** A person or organization that employs people. This includes all employers the claimant worked for during his/her base period.
- K. **Holiday Break/Holiday Recess:** A brief period of time when the university is closed due to a national holiday or customary holiday closing.
- L. **Monetary Determination:** A written notice issued to the claimant and the employer which informs both parties whether or not the claimant meets the wage requirements to establish a claim for benefits. It includes the weekly and maximum benefit amounts and the beginning and end dates of the benefit year if the claimant's wages are enough to establish a claim. If the claimant is not disqualified or otherwise ineligible, benefits are

payable. Wage requirements and maximum weekly benefit rate will vary by state.

- M. Nonmonetary Determination: A written notice issued to the claimant and the employer which informs both parties whether the claimant is eligible or ineligible based on an issue unrelated to the claimant's wage record.
- N. Reimbursing Employer: A non-profit employer that repays unemployment benefits to the State Unemployment Insurance Agency dollar-for-dollar, only when unemployment benefits are paid to the claimant.
- O. Requalification: A process by which a claimant may establish eligibility for unemployment insurance benefits through reemployment following a determination of ineligibility and a period of disqualification.
- P. Restitution: Repayment or remuneration of unemployment insurance benefits that were overpaid.
- Q. School Denial Period: A temporary period of unemployment due to a break between Academic Terms or Academic Years.
- R. Student Employee: An individual who is pursuing a course of study for academic credit and is enrolled in at least one course at the University of Michigan during the base period when wages were earned. (This differs from the definition of student employee as used in Temporary Employment [see SPG 201.57, Temporary Employment], as well as from the term student employment as used in the Collective Bargaining Agreement AFSCME Local 1583).
- S. Underemployment: A situation in which a worker is currently employed, but his/her hours and/or wages have been significantly reduced other than at the worker's request. The worker must be able, available, and seeking full-time work to qualify for underemployment. Additionally, unemployment law requires all claimants to report their weekly taxable gross wages to the State Unemployment Insurance Agency when certifying for any benefit week, no matter the amount. The university will also report the claimant's weekly taxable gross wages to the State Unemployment Insurance Agency. If the State Unemployment Insurance Agency finds a discrepancy when comparing the wages reported by the university and the wages reported by the claimant, the claimant will have to repay all overpayments of benefits and may be subject to a fine as determined by the State Unemployment Insurance Agency.
- T. Unemployment Fraud: The willful misrepresentation or nondisclosure of a material fact by a claimant for the purpose of obtaining benefits to which a person is not entitled.
- U. Unemployment Identity Theft: The fraudulent acquisition and use of a person's private identifying information in order to obtain benefits to which a person is not entitled..
- V. Unemployment Insurance: A form of social insurance designed to provide unemployment benefits to help workers replace some of their lost wages after they have become unemployed or underemployed through no fault of their own.
- W. Wage Record: A quarter in which an individual's taxable gross wages must meet the requirement of the state in which the claimant has applied for unemployment benefits.
- X. Wages: The taxable gross amount of money that a claimant gains from the employer during the base period. A claimant may continue to have wages while being underemployed. The definition of wages may vary by state.
- Y. Weekly Benefit Rate: The amount of dollars payable to a claimant for a compensable week of total unemployment.
- Z. Work-Study Participant: An individual who renders services under a federally funded college work-study program. These individuals are recipients of a specific grant amount determined by the Work-Study Unit in the Office of Financial Aid.

### III. REGULATIONS

#### A. BASIC ELIGIBILITY FACTORS

1. The claimant must have the required amount of taxable gross wages within his/her base period as determined by the State Unemployment Insurance Agency.
2. The claimant must be unemployed or underemployed through no fault of his/her own. This includes term-

limited positions.

3. The claimant must be able to work, must be seeking work, and available to perform full-time work.
4. The claimant must file for unemployment benefits with the State Unemployment Insurance Agency and/or report to a designated location if directed for further registration and/or identity verification as appropriate.
5. The claimant must not be held ineligible for his/her separation reason. The State Unemployment Insurance Agency determines a claimant's eligibility based on the separation issue, such as a discharge, resignation, etc.
6. Additional eligibility factors will vary by state.

#### B. FUNDING OF UNEMPLOYMENT COSTS

1. The University of Michigan is a reimbursing employer. This means the university repays unemployment benefits to the State Unemployment Insurance Agency dollar-for-dollar, only if unemployment benefits are paid out to the claimant.
2. The money used to repay state unemployment agencies comes from the following sources:
  - a. Unemployment insurance benefits for employees who are/were employed on general funds or research funds are charged directly to the operating department's unemployment pool account by an allocation from the university's general fund or research overhead funds.
  - b. Unemployment insurance benefits for employees who are/were employed on an auxiliary fund are charged directly to the operating department.

#### C. CREDIT WEEKS

1. Unemployment benefits may be collected for a number of weeks equal to three-quarters the number of the credit weeks an individual established during the previous 52-week history, up to a maximum of 26 weeks of regular benefits. The number of credit weeks will vary by state.
2. Wages earned can be transferred to the next employer if a claimant accepts a new, permanent, full-time position while still employed with a covered employer.
3. Extended benefits may be granted up to a maximum of an additional 13 weeks under certain conditions of unemployment within each state. Extended benefit laws will vary by state.

#### D. DISQUALIFICATIONS

1. The State Unemployment Insurance Agency may determine an individual disqualified for unemployment benefits for one or more of the following reasons, including but not limited to:
  - a. AmeriCorps Member: An individual who earns wages under the AmeriCorps Program. The services performed are part of an unemployment work relief program that is assisted by the federal, state, or local government.
  - b. Availability: An individual who is not able and available to accept full-time work
  - c. Discharge: An individual who is discharged for misconduct as determined by the State Unemployment Insurance Agency. Some examples of misconduct may include, but are not limited to policy violation, theft, insubordination, harassment, disorderly conduct, making threats, assault, and willful destruction of property.
  - d. Disciplinary Layoff/Suspension: An individual who is briefly unemployed during a disciplinary layoff/suspension for misconduct as determined by the State Unemployment Insurance Agency. An individual does not perform work or services during the disciplinary layoff/suspension.
  - e. Earned Income: An individual who earns gross wages that are greater than or equal to 1.5 times the weekly benefit amount.
  - f. Holiday Break/Holiday Recess: An individual who is employed, but does not perform work during the

university's customary holiday recess or national holiday.

- g. House Officer Status: An individual who is involved in a House Officer Training Program to become prepared for gainful employment in a recognized occupation, typically one in the medical field.
- h. Leave of Absence: An individual who have been granted a paid or unpaid leave of absence, which includes a Medical Leave of Absence, Personal Leave of Absence, Seasonal Leave of Absence, Sabbatical Leave of Absence, or any other type of approved leave of absence.
- i. Refusal of Work: An individual who refuses an offer of suitable work and/or refuses to appear for an interview for suitable work. This may result in a six to eight week disqualification period and a six to eight week reduction in an individual's number of weeks of benefits. Suitable work includes factors such as the degree of risk involved to health, safety and morals, one's physical fitness and prior training, experience and wages, length of unemployment and prospects for securing local work in customary occupation, and the distance of the available work from one's residence.
- j. Research Fellow Status: An individual who was funded exclusively by a government stipend without effort, who is neither a degree candidate nor rendering services to the university, but rather involved in an educational program.
- k. School Denial Period Status: An individual who performs services as including but not limited to an instructor, professor, lecturer, researcher, teacher, administrator, para-professional, secretary, administrative assistant, teacher's aide, coach, custodian, janitor, or cafeteria worker and has been offered reasonable reassurance of continued work in the same capacity for the following Academic Term or Academic Year.
- l. Student Status: An individual who is both enrolled at the university and pursuing a course of study for academic credit during the base period when wages were earned.
- m. Voluntary Resignation: An individual who voluntarily leaves without good cause attributable to the employer
- n. Work-Study Participant: An individual who performed services as part of a federally funded work-study program.

#### E. REQUALIFICATION

1. An individual who is disqualified for unemployment benefits due to voluntary resignation or retirement, misconduct, theft or willful destruction of property, may requalify for benefits by earning an amount equal to or in excess of seven times the individual's potential weekly benefit rate. This amount is calculated on the basis of employment with the involved employer in the disqualification, or by earning an amount equal to or in excess of 40 hours times the state minimum hourly wages times seven, whichever is the lesser amount.
2. Unemployment benefits paid after a requalification are not charged to the university.

#### F. MINIMIZING UNIVERSITY UNEMPLOYMENT COSTS

1. The university must provide sufficient documentation for an individual to be disqualified from receiving benefits. The university bears the burden of proof in establishing misconduct, resignation, leave status, student status, reappointment, etc. This applies to both regular and temporary employees.
2. The protest of an unemployment claim does not automatically stop benefits from being paid to the claimant. When deciding to protest a claim, it is important to submit the protest and supportive documentation as soon as possible so the State Unemployment Insurance Agency has sufficient time to review the protest and issue a determination. If a protest is submitted past the 10-day deadline, but before the 30-day deadline, any benefits paid out before the protest is submitted will not be refunded, except in the case of a voluntary resignation.
3. It is essential that information be included on all terminations explaining where an individual may be going to work.

4. Promptly forward any request (Form 1555) to the University Unemployment Compensation Office. Delay in returning these forms to the State can jeopardize University appeal rights. Only ten (10) days are allowed from the time MESC mails out the form to respond to claims.
5. It is important to document an individual's reason for separation from a position, as well as his/her reason for refusing suitable work or for refusing an interview for suitable work. This applies to both regular and temporary employees.
6. Units should promptly forward any unemployment documents or forms received by mail or fax to the University Unemployment Compensation Office. Delay in forwarding the communication to the University Unemployment Compensation Office could jeopardize university appeal rights. The university is typically permitted 10 calendar days from the mail date to respond to a claim, however a few states provide even less time. This includes weekends and any additional days it may take for the communication to arrive.

#### IV. PROCEDURE

See <https://hr.umich.edu/working-u-m/management-administration/uhr-procedures/20178-unemployment-compensation> (<https://hr.umich.edu/working-u-m/management-administration/uhr-procedures/20178-unemployment-compensation>)

#### Notes

Revisions on May 21, 2019: Additional unemployment definitions have been added to the SPG and greater detail has been provided regarding disqualifications. The SPG no longer speaks specifically to unemployment through the State of Michigan and now encompasses all state unemployment agencies. Additionally, the SPG and procedures have been divided. The procedures for unemployment compensation are found here: Unemployment Compensation procedures page (<https://hr.umich.edu/working-u-m/management-administration/uhr-procedures/20178-unemployment-compensation>)."

#### File Attachments

Printable PDF of 201.78, Unemployment Compensation (06/2019) ([/sites/default/files/policies/Unemployment%20Compensation%20\\_%20Standard%20Practice%20Guides%20-%20University%20of%20Michigan.pdf](/sites/default/files/policies/Unemployment%20Compensation%20_%20Standard%20Practice%20Guides%20-%20University%20of%20Michigan.pdf))

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**Related Policies:**  
Temporary Employment (</policy/201.57>)

**Related Links:**  
Unemployment Compensation procedures page (<https://hr.umich.edu/working-u-m/management-administration/uhr-procedures/20178-unemployment-compensation>)  
Michigan Unemployment Insurance Agency (<https://www.michigan.gov/uia>)  
Michigan Works (<http://www.michiganworks.org/>)  
U.S. Department of Labor, Employment & Training Administration (<https://www.doleta.gov/>)

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