Advocacy for Unemployed Workers & Employers

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How UIA Figures Weekly Benefit Rate and Number of Weeks of Benefits Paid

What the law says: This issue is covered by Sections 45, 46(b), 27(b)(1), 27(b)(4), and 27(d) of the *Michigan Employment Security Act*. It says that when a worker becomes unemployed and files a new claim for unemployment benefits, the Agency must take a look at any wages the individual earned in the first 4, of the last 5 completed calendar quarters. That period is called the "base period."

Base Period

There are four calendar quarters in a year. A calendar quarter is a period of 3 months, ending March 31, June 30, September 30 and December 31. The **standard** base period is the first 4, of the last 5 completed calendar quarters.

Suppose a worker filed a new claim for unemployment benefits on July 15, 2011. The quarter in which the claim is filed is called the "Filing Quarter." The quarter before the Filing Quarter is called the "Lag Quarter." It is the quarter in which employers send in wage information for the previously completed quarter and in which that wage information is entered into the UIA computer.

Looking at the diagram below, for a claim filed on July 15, 2011, the base period is shown with the bold border. It is the first 4 of the last 5 completed calendar quarters, so it is the period that began March 1, 2010 and ended March 31, 2011.

QTR 1	QTR 2	QTR 3	QTR 4	QTR 5	QTR 6
3/1/10 to 6/30/10	7/1/10 to 9/30/10	10/1/10 to 12/31/10	1/1/11 to 3/31/11	4/1/11 to 6/30/11	7/1/11 to 9/30/11
$500	$2900	$500	$500	LAG	FILING

To set up a claim, the UIA must find the following in the base period:

- wages in at least 2 quarters
- wages in the "high quarter" of at least $2,871
- wages in the entire base period of at least 1.5 times the wages in the "high quarter"

In this case, the worker had earnings in at least 2 quarters, had earnings of $2900 in the "high quarter" (that is, the quarter with the highest earnings), and had earnings in the entire 4 quarters of the base period of at least 1.5 times $2900 because total base period wages were $4,400. This worker would qualify for a claim. If this worker had not qualified for a claim using the method described, the UIA would have applied the following alternate earnings qualifier:

- wages in at least 2 quarters
- wages in the entire base period of at least 20 times the state average weekly wage.

Twenty times the current (2012) state average week of $860.34 is $17,206.80.

If neither the regular method of qualifying, nor the alternate earnings qualifier, entitles the worker to a claim, then those same two tests will be applied to an alternate base period. The alternate base period is the last 4 completed calendar quarters. There will be no Lag Quarter. The unemployed worker will be asked to supply any missing wage information and will also be asked to present documentary evidence supporting the worker's statement of wages. The evidence can include tax records or pay stubs. The employer will be notified of the wage information provided by the worker and will be able to respond to any discrepancies.

QTR 1	QTR 2	QTR 3	QTR 4	QTR 5	QTR 6
3/1/10 to 6/30/10	7/1/10 to 9/30/10	10/1/10 to 12/31/10	1/1/11 to 3/31/11	4/1/11 to 6/30/11	7/1/11 to 9/30/11
$500	$2,900	$500	$500	$600	FILING

Form UIA 1982-M

The information on this sheet is intended to provide a general understanding of the subject matter.
It does not have the force or effect of law or regulation.

Benefit Year

If the UIA determines that the worker had enough wages to set up a claim, then benefits on that claim are payable during the 52-week period that usually begins the week the worker files the claim.

Weekly Benefit Amount

The UIA will find the calendar quarter in the base period in which the worker had the highest wages. This wage amount is then multiplied by 4.1% (.041). To that result, $6 will be added for each dependent allowed, up to 5 dependents. The result will be the worker's weekly benefit amount. However, the result may not exceed $362.

For example, if the worker had $2,900 in earnings in the high quarter of the base period, and 2 dependents were claimed and allowed, then the worker's weekly benefit rate would be:

$2,900 x .041 = $118.90

$6 x 2 dependents = $12

Weekly Benefit Amount = $130.90 rounded down to = $130

Number of Weeks of Benefits Paid

The UIA takes 43% (.43) of the worker's base period wages and divides the product by the worker's weekly benefit amount. The result is rounded down to the nearest half-number.

For a worker with total base period wages of $4,350, and a weekly benefit amount of $130, the calculation is as follows:

$4,350 x .43 = $1,870.50

$1,870.50 ÷ $130 = 14.39 = 14 (rounded down to the nearest ½ week)

The minimum number of weeks of benefit cannot be less than 14 and the maximum cannot be more than 20. The worker in this example would receive 14 weeks of benefits.

Proof at the Hearing: If the issue at an Administrative Law hearing is the amount of wages or the time period in which work was performed, the employer will initially be asked to supply the information, but the claimant can disagree with the employer and provide evidence to disprove the employer's testimony.

For Further Help: The UIA Advocacy Program can provide assistance to employers and/or unemployed workers in preparing for an Administrative Law Judge hearing. Call 1-800-638-3994; Item 2.