

Membership Matters

Quarterly News from The 501 Alliance

March 2010

Unemployment Insurance Extended Benefit Program Update

Federal Unemployment Insurance (UI) extensions were set to expire at the end of February. Therefore, the Senate Finance Committee introduced a legislative proposal on February 11, 2010, to reauthorize UI provisions. Included in the HIRE Act (Hiring Incentives to Restore Employment) proposal is a three month extension of federal Emergency Unemployment Compensation (EUC), Federal Additional Compensation (FAC) and federal funding of state Extended Benefits (EB). Information about all three programs is provided below.

Emergency Unemployment Compensation (EUC) – Persons who exhaust their 26 weeks of regular unemployment benefits may establish or augment eligibility for up to four tiers of EUC. The reauthorization does not add any additional weeks of EUC; it simply extends the date an EUC claim may be established. The program would continue to be 100% federally funded from Treasury general revenue.

State Extended Benefits (EB) – The EB program typically provides half the number of weeks that a person received in regular benefits to a maximum of 13 weeks. However, the Governor signed legislation increasing the maximum entitlement to 20 weeks last year. The funding for state EB is normally shared 50% by the states and 50% by the federal government but was temporarily changed to 100% federal funding under the American Reinvestment and Recovery Act (ARRA).

Federal Additional Compensation (FAC) – A \$25 supplement is added to all weekly UI benefits paid, be they regular, EUC or EB. The financing of FAC would continue to be 100% federally funded from Treasury general revenue.

In total, unemployed workers can receive up to 99 weeks in unemployment assistance. Twenty-six weeks of regular benefits from the state, 53 weeks from the federal government and 20 weeks of extended benefits through the state. Individuals must exhaust their regular and EUC benefits before they become eligible for EB.

The HIRE Act proposal would not change any of the core UI elements noted above. It would simply push back the expiration date to May 31, 2010. If you have any questions about these programs, please contact Mike Pennanen at 800-968-9675, ext. 2950.

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Mark Your Calendar for the Next Annual Meeting

All member agencies are invited to attend the annual meeting of The 501 Alliance to be held from 11:00 a.m. to 12:00 noon on Friday, May 14, 2010. The meeting will be held at the University Club of Michigan State University in Lansing. A complimentary lunch will also be provided immediately following the meeting. Directions to the venue will be included in the annual report that will be mailed in late April.

Topics of discussion and events include financial and claim reports for 2009, results from the annual audit and the election of board members and officers. In addition, the Harry and Shirley Klein Legal Scholarship winner will be announced and introduced to the membership. This is a great opportunity for you to meet the Board of Directors and to network with your peers from across the state.

Where Do I Send All of Those Reports?

Members often call and ask about the reports that are sent to us and the reports that are sent to the state. The reports that we receive the most questions about are the Quarterly Contribution Report, Wage Detail Report and Reimbursing Employer's Quarterly Payroll Report. We have listed each report below, where it should be sent and have provided a description of each.

The following report should be sent to The 501 Alliance:

- *Quarterly Contribution Report*

On this report, you need to provide your company's gross wages, excess wages and taxable wages for unemployment purposes for the quarter, along with the number of employees as of the 12th day in each of the three previous months. This should also be returned with your payment if one is due. You can print a blank Quarterly Contribution Report from our web site at 501alliance.org if you need one for any quarter.

The following reports should be sent to the Unemployment Insurance Agency:

- *Wage Detail Report – Form 1017*
- *Reimbursing Employer's Quarterly Payroll Report – Form 1020-R*

On the Wage Detail Report, you need to list the names of your employees, their social security numbers and their gross wages for the quarter. On the Reimbursing Employer's Quarterly Payroll Report, you need to list your company's gross wages for the quarter and the total number of employees as of the 12th day in each of the three previous months. Both of these reports are also available from the Unemployment Insurance Agency's web site at michigan.gov/uia and can be filed electronically.

If you have questions about any of these reports, please call us at 800-968-9675.