

Membership Matters

Quarterly News from The 501 Alliance

December 2009

Qualifying Base Period Wages Increased

To collect unemployment benefits, one of the requirements that claimants must meet is to have earned a minimum amount of money in their base period. The base period is defined as the first four of the last five completed calendar quarters. Previously, the minimum amount that a claimant was required to earn in at least one quarter of the base period was \$1,998; the new minimum is now \$2,871.

In addition, the claimant must have wages in at least two quarters of the base period and the total of all wages in the base period must equal at least one and one-half times the highest amount of wages paid in any quarter of the base period to qualify.

If a claimant cannot qualify based on the standard base period, the Unemployment Insurance Agency (UIA) will check the wages in an "alternate" base period, which is the four most recently completed calendar quarters. To qualify under the alternate base period, a claimant must have wages in at least two quarters and total wages for all four quarters must equal at least 20 times the state average weekly wage. For 2009, the amount that needs to be earned is \$16,695.80.

New UIA Taxes to Hit Employers

A new per-employee penalty tax will be hitting Michigan employers that reimburse the state directly for unemployment benefits in 2010. This new tax is a result of the nearly \$3.0 billion that the state has borrowed from the federal government to pay unemployment benefits to unemployed workers in the state. The new penalty tax will start at \$21 per employee and will increase every year through 2019 or until the money that has been borrowed is repaid.

The other new tax is a solvency tax that is imposed only on contributing employers who have a negative balance in their experience account with the state. The solvency tax will cost employers an additional \$67.50 per employee. Contributing employers do have the option of making a voluntary payment equal to their negative reserve balance, if they would like to avoid paying this tax. It is estimated that about 15% of Michigan employers will have to pay the solvency tax.

The good news is that our members will not have to pay either of these two new taxes that are being implemented by the state. If you have any additional questions about these taxes, please contact the Administrator 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.

New Members Join The 501 Alliance

We had another successful year recruiting new members to join The 501 Alliance. An additional nine nonprofit agencies will be joining in January of 2010. This will bring our total membership to approximately 400 nonprofit agencies across the state.

We would also like to thank those members who took advantage of our Member Referral program and helped us to recruit new members. As a reminder, this program provides your agency with a \$50 charitable donation for every prospective member you refer who completes and submits an application. An additional \$150 charitable donation is provided to your agency for every prospective member who also qualifies and is approved for membership. That's up to \$200 your agency can receive for each prospective member referred to The 501 Alliance.

The applicant simply needs to include your name and telephone number on the application and we'll send you a check. In addition, there's no limit to the number of prospective members you can refer. For example, refer just five prospective members and your agency will receive at least \$250 and up to \$1,000.

You can also contact us at any time to inquire about the status of any nonprofit you've referred. For a brochure or for more information, please contact us at 800-968-9675. You can also visit our web site at 501alliance.org for complete details.

Do you have a topic or suggestion for the next newsletter? Please e-mail your ideas to mpennanen@talx.com