

Membership Matters

Quarterly News from The 501 Alliance

September 2015

Taxable Wage Base Reduced to \$9,000

We are pleased to announce the Taxable Wage Base (TWB) has been reduced from \$9,500 to \$9,000 for all members effective July 1, 2015. The board voted to reduce the TWB after the state announced they were reducing their TWB to \$9,000 for employers, per legislation that was passed in 2011.

This change will only affect payments for those employees who have earned less than \$9,000 through June 30, 2015. For example, if an individual has earned \$8,500 through the first two quarters of this year, contribution payments now only have to be paid on the next \$500 that person earns. If an individual has earned \$9,000 or more through the first two quarters of this year, the remainder of his/her wages for this year are now considered excess wages.

It is also important to note that refunds or credits will not be issued to members who paid contributions on the first \$9,500 that each employee earned during the first two quarters of this year. This is the same policy as the state of Michigan, who will also not be issuing refunds. If you have any questions about the reduction in the TWB, please contact the Administrator at 800-968-9675.

We Need Your Help!

Are you ready to take that next step in your career? Are you looking for opportunities to grow professionally? Well, here's your chance! We currently have some vacancies on our board for new directors and we are seeking nominations. To qualify, individuals must be employed by one of our members or be on their board.

As a director, you'll provide input on topics and use your expertise in decisions that impact our members. The full board meets four times a year in Lansing and each director also participates on at least one committee. The committees include finance, marketing, membership, nominating, rate and scholarship. This is a great opportunity to meet, work and learn from other leaders in the nonprofit community.

Attached is a nomination form that can be completed or distributed to individuals who you feel may be interested in becoming a director. This form needs to be returned to us by Friday, October 16, 2015. The nominating committee will review the qualifications of all of the candidates and provide recommendations to the board at their next meeting. If you have any questions, please feel free to contact the Administrator at 800-968-9675.

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Additional Review for Suspected Fraud Cases

Recently, the Unemployment Insurance Agency (UIA) has come under fire for what has been called “robo-adjudication.” For example, the state’s computer system would spread out severance payments over a number of weeks even if they were not allocated by the employer. Their system would then detect wages earned and unemployment benefits paid during the same period of time. The state would then issue a restitution notice to the claimant, as it assumed fraudulent activity was occurring. This resulted in a surge of baseless overpayment and penalty notices being sent to claimants. Some of these notices were for restitution in excess of \$10,000.

As a result of much publicity, the state has revised how it will handle these cases going forward. The system will still flag suspected cases of “fraud;” however, prior to the issuance of an overpayment notification, a staff member will review the discrepancies and proceed accordingly based on the information. Currently there are approximately 8,500 cases under appeal that are being recalled and reviewed.

Frequently Asked Questions

1. Why does the Unemployment Insurance Agency (UIA) require wage detail in a Sunday through Saturday format?

The most common payroll cycle for employers is likely Monday through Sunday. This can make completing wage audits and weekly breakdown requests from the UIA cumbersome and time consuming. So why does the state not just accept them in this common format?

Either by statute or by policy, the state defines a “work week” as Sunday through Saturday. If you notice, the effective date of a claim is always a Sunday. When determining if a claimant’s earnings (either for work performed or for a payment such as vacation pay) are disqualifying, it is critical to compare apples to apples.

2. Do HIPAA laws apply to requests for information needed when responding to an unemployment-related document?

The short answer is no. HIPAA (Health Insurance Portability and Accounting Act of 1996) was established to protect the privacy of health information. This privacy rule does not apply to employment records even if the information in those records is health-related.

When a claimant files for UI benefits, he/she gives express and informed consent to disclose (pursuant to 20 CFR 603). This consent can be in the form of a physical signature on a hardcopy document or an electronic signature when applying online. Generally, HIPAA applies to disclosures made by a healthcare provider and not the questions posed to an employer regarding documents regularly maintained in a worker’s personnel file.



Board of Directors
Nomination Form

Please provide the requested information below. Once completed, return to The 501 Alliance at the address at the bottom of this form **by Friday, October 16, 2015 (attn: Administrator), with a copy of your resume.** All nominees must be residents of the state of Michigan.

Nominee: _____

Company Name: _____

Title: _____

Company Address: _____

Company Phone #: _____

Company County: _____

Home Address: _____

Home/Cell Phone #: _____

Additional Comments: _____

Director expectations:

1. Attend four meetings per year in Lansing that last approximately two hours each.
2. Participate on at least one committee that reviews information, offers input and provides recommendations to the full board.
3. Participate on committee conference calls once per quarter.
4. Promote The 501 Alliance unemployment program and encourage nonprofit organizations to become members.