

Membership Matters

Quarterly News from The 501 Alliance

September 2017

Reduced Contribution Rates Next Year

We wanted to share some exciting news with our members that the board is planning to reduce contribution rates for 2018. This will mark the fourth year in a row that the rate formulas have been changed to help members save money on their unemployment costs. Over 90% of our experience rated members have had rate decreases based on these changes in each of the last three years and we expect the majority of members will benefit again next year.

The 2018 Contribution Rate Notices will be available through our website on Monday, December 4th. Please log-in to your account at www.501alliance.org and click on the contribution rate notice link to print a copy of your rate notice. If you have any questions about accessing the website, please contact the Administrator at 800-968-9675.

Employer's Quarterly Wage/Tax Report UIA Form 1028 Penalties

We wanted to remind all of our members to make sure they are submitting their Employer's Quarterly Wage/Tax Report Form 1028 through their MiWAM accounts with the state of Michigan. We continue to see the state issuing penalties to the accounts of members for either not submitting their report or for submitting it past the due date. Members should either verify with their internal staff or with their payroll provider that they are submitting this report on a timely basis.

The 1028 Report lists the name, social security number and gross wages for each employee during the quarter. It is due to the state within 25 days after the end of each quarter. The penalty assessed by the state for a report that is missing is \$250 per quarter and the penalty for a report that is not submitted within 30 days of the due date is up to \$60. In addition, we cannot complete or submit the 1028 Report on your behalf.

Please note that this report is different than the Quarterly Contribution Report that is submitted through our website in which the gross wages, excess wages and taxable wages for unemployment purposes are reported for all of your employees in aggregate.

If you have any questions about submitting your Employer's Quarterly Wage/Tax Report Form 1028, contact the Office of Employer Ombudsman at 855-484-2636.

If you have any questions about completing your Quarterly Contribution Report, contact the Administrator at 800-968-9675.

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How Would You Rule?

Background:

The claimant quit voluntarily after a discussion with her manager regarding her attendance. She was allowed benefits upon a finding that she was discharged from her job but not for misconduct connected with her work. The employer appealed and a hearing was scheduled before an Administrative Law Judge (ALJ).

At the Hearing:

Employer's Evidence: The employer testified the claimant was having significant attendance issues. The claimant's manager stated that he called her into his office and told her that if she did not improve her attendance from that date forward, she could be subject to disciplinary action, including discharge. The claimant's manager testified that the claimant told him that she knew that she could not improve her attendance due to the demands of her personal life. She offered her resignation, which he accepted.

Claimant's Evidence: The claimant testified she was effectively discharged during her conversation with her manager. She knew she would be terminated because personal issues would cause her to have more absences. She also stated that if she was discharged, she would not be considered for employment in the future and she wanted to be able to return to the employer if possible. The claimant gave no other reason for offering her resignation.

The Hearing Decision:

The ALJ found the claimant quit voluntarily without good cause connected with her work. The ALJ ruled the claimant was not discharged, as she had continuing work available and the opportunity to improve her attendance. There had been no decision to terminate her employment and the claimant offered no evidence to support a finding of good cause to quit, so she was disqualified from benefits. The claimant disagreed and appealed arguing she was effectively discharged during her conversation with her manager.

The Board of Review Decision:

The Board of Review agreed with the ALJ's decision and the decision remained in effect. The Board found that the ALJ's decision was reasonable based on the record of evidence. The claimant quit voluntarily with continuing work available and presented no evidence that she had quit with good cause connected to her job.

Takeaway:

A determining factor in whether a separation is a quit or a discharge for unemployment purposes is whether continuing work is available to the claimant. In this case, the claimant was informed she could face termination if she did not improve her attendance. The employer had decided not to discharge her but made it clear that it was a possibility in the future. The claimant could have reported for work on the date of her next scheduled shift and other shifts, as long as she was able to improve her attendance. Choosing not to report for future work is generally considered to be a resignation.