

Membership Matters

Quarterly News from The 501 Alliance

September 2019

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 completed 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.

New Reporting Tool

The next time you're in the Employer Portal to run or view reports, you may see a new application labeled Report Dashboard. This new reporting tool has been rolling out throughout the Summer, with new features added every couple of months. This new application will eventually replace the current reporting tool, Insight Reports, which is tentatively scheduled to be retired on October 31, 2019.

The unemployment claims information that you currently have available to you through Insight Reports will also be available through the Report Dashboard. The 501 Alliance's website has been updated with live training event dates for the Report Dashboard and an on-demand training tutorial is also available. To register for a live training event or to access the on-demand training, log-in to your account at 501alliance.org and select "Training Courses" under the member menu.

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How Would You Rule?

Background

A company made an offer of an early retirement package to certain eligible employees. The claimant accepted the offer but later applied for unemployment benefits.

At the Hearing

Employer's Evidence: The employer testified that it offered a number of employees an early retirement package to ease budget restraints. The offer provided additional severance payments and insurance coverage. The claimant was not told his job would be in jeopardy or that he would be part of a reduction in workforce. The employer asserted the program was necessary in order to avoid a future reduction in workforce. The claimant qualified for the program and signed an agreement indicating he would retire. The employer asserted that continuing work was available to the claimant. They alleged the acceptance of the program amounted to a voluntary resignation.

Claimant's Evidence: The claimant testified he decided to accept the early retirement package. He had enough points to qualify and additionally, he wished to take advantage of the added monetary incentives. He did not indicate that he had felt he was in danger of being laid off if he did not take the package. However, the claimant testified he had no plans to resign and would not have, had the employer not offered the incentives.

The Hearing Decision

The Administrative Law Judge (ALJ) found the early retirement offer was the result of the employer's attempt to reduce or eliminate budgetary concerns and therefore, avoid a reduction in workforce. The claimant accepted the offer of the early retirement package because he was concerned that by not accepting the offer he could potentially be laid off in the future and he would have missed out on the added incentives. In conclusion, the ALJ found the employer's acceptance of the claimant's resignation and signing of the voluntary retirement package constituted a voluntary quit for good cause connected with the work and benefits were awarded to the claimant.

The employer appealed arguing they did not tell the claimant that his job was in jeopardy. The claimant's acceptance of the package did not hinge on a reasonable belief that he would be part of a reduction in workforce. The employer testified continuing work was available to the claimant and that participation in the early retirement program was strictly voluntary. The claimant based his decision to quit on the monetary incentives and not on any fear that he was going to be part of a reduction in workforce.

The Board of Review Decision

After reviewing the details of the case, the Board agreed with the ALJ's decision and affirmed it. It stated the claimant had agreed to a voluntary retirement package offered by his employer. The package was the employers attempt to avoid or reduce the negative impact of a reduction in workforce. Furthermore, the circumstances for leaving did fall under the good cause provisions of the Unemployment Act, so benefits were awarded to the claimant.

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How Would You Rule Continued...

Takeaways

In general, these decisions often hinge on whether or not the claimant believes in good faith that he or she will be laid off in the future and whether or not there is a financial benefit to the claimant to take the package. In addition, Unemployment Agencies want to make certain they know all of the details surrounding an offer to properly classify it as an early retirement package. At a hearing, an ALJ is likely to ask for information on the number of offers, if any layoffs will take place and how the company will decide which employees will take part in a reduction in workforce.