

# Membership Matters

Quarterly News from The 501 Alliance

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*September 2020*

## **COVID-19 Suitable Work and Refusal to Work Guidance**

The Unemployment Insurance Agency (UIA) has developed new guidance on “Suitable Work” and “Refusal of Work” for workers and employers. While the guidance reminds employers of their obligations to follow workplace safety laws and guidance related to COVID-19, it also focuses on policy that expands “good cause” related to COVID-19 for employees who refuse offers of work and who are seeking to continue receiving unemployment benefits.

### **Key Highlights**

Michigan’s unemployment insurance law permits employees who are receiving unemployment benefits to refuse suitable work only if the employee has good cause. Under the new guidance, good cause is expanded to include specific COVID-19 reasons an employee may have for refusing to return to work in the following situations:

1. The individual is under self-isolation or self-quarantine in response to an elevated risk from COVID-19 due to being immuno-compromised.

#### Examples:

- a. Older adults over 65 years of age.
  - b. Those with specific disease or chronic conditions such as cancer, heart disease, lung disease, chronic liver disease undergoing dialysis, severe obesity, diabetes, malnutrition and certain genetic disorders.
  - c. Those with specific medications or treatments such as steroids, chemotherapy, radiation therapy, dialysis, stem cell, bone marrow or organ transplant.
2. The individual or household member has displayed at least one of the principal symptoms of COVID-19, which include fever, atypical cough and atypical shortness of breath – must have a positive test, COVID-19 diagnosis from a medical professional or be seeking diagnosis.
  3. The individual has had contact in the last 14 days with someone with a confirmed diagnosis of COVID-19.
  4. The individual recovered from COVID-19 but it caused medical complications rendering the individual unable to perform essential job duties temporarily.
  5. The individual has a family care responsibility as a result of COVID-19 and does not have access to customary arrangements or a reasonable alternative.

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### **COVID-19 Suitable Work and Refusal to Work Guidance Continued...**

#### Examples:

- a. Childcare if the school is closed or if childcare arrangements are closed due to a government directive or COVID-19.
  - b. If individuals' customary childcare is no longer available due to COVID-19, individuals must seek "reasonable" alternatives to childcare.
  - c. If individuals cannot find "reasonable" alternatives to childcare, individuals may remain eligible for unemployment benefits.
6. The individual is required to care for someone with a confirmed case of COVID-19.
  7. The individual has a reasonable belief the workplace is unsafe or not in compliance with state or federal safety guidance and law. If an employer claims a workplace is "suitable" because it meets state and federal workplace safety requirements, the employee may still have "good cause" to refuse work if the employee can establish he or she has a reasonable belief the workplace does not meet safety requirements (until a determination is made that indicates otherwise).
  8. For employees receiving Pandemic Unemployment Assistance (PUA), the individual's normally available transportation must be unavailable due to a quarantine related to COVID-19 only.

Finally, it is important to note that merely being afraid to return to work is not considered good cause to collect unemployment benefits.

### **Possible Taxable Wage Base Increase**

It has been reported the balance in Michigan's Trust Fund fell below \$2.5 billion as of June 30, 2020. This is significant, as based on Michigan law, if the Trust Fund balance falls below \$2.5 billion and the Unemployment Insurance Agency (UIA) projects the balance will continue to stay below that amount for the next calendar quarter, the Taxable Wage Base (TWB) for the next calendar year will automatically increase from \$9,000 to \$9,500.

The 501 Alliance uses the same TWB as the state, so payroll companies and members can easily calculate the taxable wages of employees for unemployment purposes. It is possible the state may pass new legislation that will keep the TWB at \$9,000 but it is important to budget for this possible increase next year.