



Claiming Underemployment Benefits in Michigan

Underemployment is a situation in which a worker is employed, but his/her work hours and/or wages have been reduced or changed for reasons other than the worker's request. However, under certain circumstances unemployment benefits may be available.

"Earnings" can include the following: a payment of a wage; room, board or other living expenses; vacation or holiday pay; or a payment made by an employer to a separated worker in lieu of notice of a discharge or layoff.

If you are claiming benefits while underemployed you are required to:

- Report gross earnings per week (Sunday through Saturday) when certifying with MARVIN.
- Actively seek full-time work.

You are required by law to report your total gross earnings from all services performed.

How to report earnings for each week

You must report your total gross earnings, not just your take-home pay, for the week in which you actually performed the work, NOT the week in which you received the pay. Be sure to answer "yes" when MARVIN asks you if you worked during a specific week. Then report your total earnings (gross pay) before deductions.

How to calculate your earnings

Multiply your hourly rate of pay by the number of hours you worked during the week (Sunday through Saturday). Then add any other payments received during that week, such as cash payments, vacation pay, holiday pay, severance pay or other wage continuation pay. Report the total earnings to MARVIN.

How earnings affect your weekly benefit amount (WBA)

UIA Form 1541, Weekly Earnings Calculation Worksheet, is available to unemployed workers through the UIA website at www.michigan.gov/uia. Please refer to your UIA 1901 (Green Booklet), Unemployment Benefits in Michigan, for further information. Failure to properly report earnings may result in severe penalties if fraud is detected.

<p>Earnings equal or exceed 1.5 times your Weekly Benefit Amount (WBA)</p>	<p>A. WBA = \$362.00 B. Total Earnings = \$600.00 C. $\\$362 \times 1.5 = \\543.00 D. If B is more than C, then you will not receive a benefit payment for this week.</p>
<p>Earnings are less than 1.5 times your WBA, but greater than your WBA, total earnings are subtracted from 1.5 times your WBA.</p>	<p>A. WBA = \$362.00 B. Total Earnings of \$420.00 C. $\\$362 \times 1.5 = \\543.00 D. If B is more than A, then subtract earnings from C. $\\$543.00 - \\$420.00 = \\$123.00$</p>
<p>Earnings are equal to or less than your WBA, 0.5 times your earnings are subtracted from your WBA.</p>	<p>A. WBA = \$362.00 B. Total earnings of \$101.00 C. If B is less than A, see the calculation below $\\$101 \times .5 = \\50.50 $\text{WBA } \\$362 - \\$50.50 = \\$311.50$ You receive \$312.00</p>

How underemployment affects your account

If the unemployed worker earned wages with an employer within the past 18 months and work hours were reduced based on reasons other than the worker's request, the unemployed worker may be entitled to benefits. When the employer is paying more than the maximum charge per week the employer is entitled to an excess earnings credit.

The unemployed worker is required to report gross earnings (including lost earning) each week (Sunday through Saturday) when certifying with MARVIN. Also, the worker must be able, available and seeking full-time work. Therefore, report any loss of earnings by a worker during any week resulting from any cause other than the failure of the employer to offer hours. This is considered lost earnings.

How excess earnings affect your account

A **contributing** employer may receive a credit for any week(s) the underemployed worker claimed benefits that were charged to that employer's account. To receive the credit, the earnings the employer paid an underemployed worker must equal or exceed the employer's weekly maximum potential benefit charge for that worker.

How to calculate your maximum potential charge per week

- A. Locate your maximum charge located on Form UIA 1575, Monetary Determination
- B. Divide the maximum charge by the number of weeks to which the unemployed worker is entitled
- C. The result of the calculation is the maximum potential charge the employer's account may be charged per week.

EXAMPLE

Maximum amount = \$2,925.00 Maximum weeks = 20 $\$2,925 / 20 = \146.25 maximum charge per week	If the claimant earns \$146.25 or more from your place of business in any week that your business is charged you are entitled to a credit.
--	--