



# DOLINKA, VANNOORD & COMPANY

A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

C e r t i f i e d   P u b l i c   A c c o u n t a n t s

March 25, 2020

## **Making Sense of Employee Layoffs**

The following is a basic level summary of items related to the Family First Coronavirus Response Act (FFCRA) and recent executive orders from the State of Michigan all in response to help your impacted employees get paid and help your business paying those impacted employees as a result the COVID-19 Pandemic.

**NEW.** Effective Date for FFCRA. Any leave paid prior to April 1, 2020 does not count towards FFCRA leave.

The order in which the FFCRA, Michigan Unemployment and your Company's PTO/Sick polices come into play is tricky to say the least. It is our opinion that the following ordering applies:

1. FFCRA act benefits.
2. Unemployment Benefits

It is not required that an employee use company PTO/Sick benefits prior to either of these but if you do, then those precede number 2.

Conceptually, FFCRA intends to fully reimburse the employer for 100% of the benefits paid out through the use of payroll tax credits on the quarterly 941 form. Therefore, the cost is intended to be a net zero impact on your company.

Michigan Unemployment benefits paid to your qualified employee layoffs are intended to not impact your experience rate as would normally be the case. Also, the requirement for the qualified employee to seek work is waived, as long as their separation is not intended to be permanent. So again, the intent is to not have your company impacted by those qualified UIA benefits.

### Self Employed Persons

1. FFCRA treats a self-employed person the same as an employee. The details on how to actually do that are not clear pending the US Secretary of the Treasury issuance of regulations and guidance.
2. Michigan UIA has yet to come out with how unemployment benefits might apply for owners.

To dig deeper, see these links. We will keep these links current as best we can.

1. [US Department of Labor FFCRA Requirement Summary.](#)
2. [March 16 Executive Order 2020-10 Expanding Unemployment Benefits.](#)
3. [March 23 Executive Order Governor Witmar.](#)
4. [UIA Guide to Claiming Unemployment Benefits](#)
5. [UIA Guide to requesting a waiver](#)
6. [Michigan Chamber of Commerce Guide on Unemployment Benefits FAQ](#)