


MEMO

To: Michigan House Workforce, Trades, and Talent Committee Members
From: David Q. Worthams, Director of Human Resource Policy 
Date: June 23, 2021
Re: MMA SUPPORT for SB 501(S-3)

On behalf of the members of the Michigan Manufacturers Association (MMA), I write to share our support for SB 501(S-3), a bill that will do the following:

- Require individuals to register for work with UIA in accordance with the time-period required by the Michigan Unemployment Insurance Agency (UIA) – which is, under their current rules, five days.
- Allow an employer to notify UIA of a temporary layoff and what the expected return to work date will be, not to exceed 45 days, and to have the work registration requirement waived for their employees during that time.
- Allow an employer to receive an additional 90 days for a work registration waiver if the initial return to work date must be extended because of one or more of the following reasons:
 - The retooling of the employer's equipment
 - A parts shortage
 - A temporary production volume adjustment
- Employers who had an extended layoff on 5/31/21 may notify UIA of that situation by 7/16/21 and have the waiver for work registration retroactively reinstated to 5/31/21.

Since 1997, the Michigan Employment Security Act (PA 1 of 1936 (Ex. Sess.)) provides that an unemployed individual is eligible to receive benefits only if they have registered for work. This is applicable to those who do not have an established return to work date (i.e., have been temporarily laid off). Under the rules of the Michigan Unemployment Insurance Agency (UIA), an individual must register within five days of submitting their application for benefits.

We support incorporating this requirement in the statute. The numerous services provided by Michigan Works! help unemployed citizens and without them they would remain on the UI rolls longer, adding stress to both the UI system and the Michigan economy by not connecting people to job vacancies. We firmly believe that work search registration is the quickest way to move people from unemployment to full employment.

Additionally, under the Act, employees who have an established return to work date, such as those who are temporarily laid off by manufacturers who are retooling their machines or are experiencing a supply shortage, may have their work registration requirement waived for 45 days if their employer notifies UIA of the layoff. Employers will exercise this ability so that their highly trained employees are not lost due to circumstances beyond the employer's control. Many automotive manufacturers and suppliers are currently experiencing this type of situation because of the worldwide shortage of available microchips often used in vehicle onboard computers.

Manufacturers continue to feel the fallout from the COVID pandemic which has left the overall supply chain very fragile. Michigan's public policy needs to be written in a way to empower employers to deal with this by granting the ability to change the end dates of temporary layoffs.

We urge your support of SB 501(S-3) and look forward to its passage by the Michigan House of Representatives.