

# GUIDANCE TO MICHIGAN EMPLOYERS

## CONTEMPLATING POTENTIAL LAYOFFS RELATED TO COVID-19



### WORK SHARE

If employers are financially distressed, they are encouraged to use the State's [Work Share program](#) that allows employers to maintain operations during declines in regular business activity rather than laying off workers, visit [Michigan.gov/WorkShare](https://Michigan.gov/WorkShare).



### TEMPORARY LEAVE VS. TERMINATION

Due to the uncertainty regarding potential congressional action on how furloughed workers will be able to access federal resources, employers are strongly urged to place employees on temporary leave as opposed to termination. There is no additional cost to employers, employees remain eligible for unemployment benefits and they may remain eligible for potential federal assistance.

#### Steps for employers placing employees on temporary unpaid leave:

- Do not terminate the employee – specify a temporary / indefinite leave with return to work expected that is within 120 days.
- Do not create a contractual obligation to bring the employee back to work – let the employee know that the situation is fluid and subject to change.
- Provide the employee with a formal [Unemployment Compensation Notice](#). Employers will need to provide their Employer Account Number and Federal Identification Number.
- Communicate to the employee about their rights. Under Governor Whitmer's recent [Executive Order](#), workers placed on leave, or are unable to work because they are sick, quarantined, immunocompromised, or have an unanticipated family care responsibility, are eligible for unemployment insurance benefits.
- Ensure employees are provided information on how to obtain unemployment insurance benefits. [A factsheet can be found here](#).



MICHIGAN DEPARTMENT OF  
**LABOR & ECONOMIC  
OPPORTUNITY**