

Annual Review of Maximum Weekly Benefit Rates Report

The intent of Section 8 of the Michigan Employment Security Act was to establish a method to be used to insure that the maximum weekly benefit rate (MWBR) under Section 27(b) is related to the increases in the cost of living standards. The Unemployment Insurance Agency compares the Consumer Price Index for the December prior to the most recent increase in the MWBR to the Consumer Price Index for the most recent December, and applies that percentage increase or decrease to the MWBR. If the change in the MWBR equals or exceeds \$1.00, that fact is reported to the Governor and the Legislature. The chart below shows the calculation:

Consumer Price Indexing

December 2010 = 202.280 CPI
December 2001 * = 167.9 CPI

*The last increase in MWBR was 4/26/02. December 2001 was the last December prior to that increase.

$202.280 / 167.9 = 1.2048$

Current MWBR = \$362.00

$\$362.00 \times 1.2048 = \$ 436.14$

The consumer price indexing method takes into account the increase in the value of the U.S. Dollar

Source: United States Department of Labor's Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for greater Detroit area (Table 6) for December 2010 and December 2001.