

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 976**

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending sections 11, 11a, 12, 13, 13a, 13b, 13c, 13d, 13e, 13f, 13g, 13i, 13k, 13l, 13m, 14, 15, 15a, 16, 17, 18, 19, and 19a (MCL 421.11, 421.11a, 421.12, 421.13, 421.13a, 421.13b, 421.13c, 421.13d, 421.13e, 421.13f, 421.13g, 421.13i, 421.13k, 421.13l, 421.13m, 421.14, 421.15, 421.15a, 421.16, 421.17, 421.18, 421.19, and 421.19a), section 11 as amended by 2018 PA 72, section 11a as added by 2012 PA 422, section 13 as amended by 2022 PA 96, sections 13a and 13d as amended by 1989 PA 236, sections 13f, 13g, and 13k as amended by 1994 PA 162, section 13l as added by 2002 PA 192, section 13m as amended by 2012 PA 219, section 14 as amended by 1983 PA 164, section 15 as amended by 2017 PA 229, section 15a as



added and sections 19 and 19a as amended by 2011 PA 269, section 17 as amended by 2020 PA 258, and section 18 as amended by 1993 PA 296; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 11. (a) In the administration of this act, the  
2 unemployment **insurance** agency shall cooperate with the appropriate  
3 agency of the United States under the social security act, **42 USC**  
4 **301 to 1397mm**. The unemployment **insurance** agency shall make  
5 reports, in a form and containing information as the appropriate  
6 agency of the United States may require, and shall comply with the  
7 provisions that the appropriate agency of the United States  
8 prescribes to assure the correctness and verification of the  
9 reports. The unemployment **insurance** agency, subject to this act,  
10 shall comply with the regulations prescribed by the appropriate  
11 agency of the United States relating to the receipt or expenditure  
12 of the sums that are allotted and paid to this state for the  
13 purpose of assisting in the administration of this act. ~~As used in~~  
14 ~~this section, "social security act" means the social security act,~~  
15 ~~42 USC 301 to 1397mm.~~**The unemployment insurance agency shall comply**  
16 **with 20 CFR 603.8 for any disclosure it makes under this section.**

17           (b) (1) Information obtained from an employing unit or  
18 individual pursuant to the administration of this act and  
19 determinations as to the benefit rights of any individual are  
20 confidential and must not be disclosed or open to public inspection  
21 other than to public employees and public officials in ~~the~~  
22 ~~performance of their~~**performing** official duties under this act and  
23 to agents or contractors of those public officials, including those  
24 described in subparagraph (viii), in a manner that reveals the  
25 individual's or the employing unit's identity or any identifying



1 particular about an individual or a past or present employing unit  
2 or that could foreseeably be combined with other publicly available  
3 information to reveal identifying particulars. However, all of the  
4 following apply:

5 (i) Information in the unemployment **insurance** agency's  
6 possession that might affect a **claimant's** claim for worker's  
7 disability compensation under the worker's disability compensation  
8 act of 1969, 1969 PA 317, MCL 418.101 to 418.941, must be available  
9 to ~~interested parties as defined in R 421.201 of the Michigan~~  
10 ~~Administrative Code, the claimant or the claimant's employer,~~  
11 regardless of whether the unemployment **insurance** agency is a party  
12 to an action or proceeding arising under ~~that act.~~ **the worker's**  
13 **disability compensation act of 1969, 1969 PA 317, MCL 418.101 to**  
14 **418.941. All of the following apply to a claimant or employer that**  
15 **is provided with information under this subparagraph:**

16 (A) The claimant is entitled to receive only an uncertified  
17 printout of the unemployment benefits paid to the individual from  
18 the individual's date of injury to the present day.

19 (B) The employer is entitled to receive only an uncertified  
20 printout of the unemployment benefits paid to the claimant from the  
21 claimant's date of injury to the present day if the claimant  
22 consents to the release of the information in a manner that is  
23 consistent with the requirements of 20 CFR 603.5(d).

24 (C) The claimant or employer shall pay reasonable costs, as  
25 determined by the unemployment insurance agency, for processing the  
26 claimant's or employer's request for information, copying, and  
27 producing the list of the individual's unemployment benefit  
28 payments.

29 (ii) Any information in the unemployment **insurance** agency's



1 possession that might affect a claim for benefits or a charge to an  
2 employer's experience account must be available to **an** interested  
3 ~~parties~~**party**, as **that term is** defined in R 421.201 of the Michigan  
4 Administrative Code, and to ~~their~~**the interested party's** agents, if  
5 ~~their~~**the** agents provide the unemployment insurance agency with a  
6 written authorization of representation from the party represented.  
7 A written authorization of representation is not required in any of  
8 the following circumstances:

9 (A) If the request is made by an attorney who is retained by  
10 an interested party and files an appearance for purposes related to  
11 a claim for unemployment benefits.

12 (B) If the request is made by an elected official performing  
13 constituent services and the elected official presents reasonable  
14 evidence that the identified individual authorized the disclosure.

15 (C) If the request is made by a third party who is not acting  
16 as an agent for an interested party and the third party presents a  
17 release from an interested party for the information. The release  
18 must be signed by an interested party; specify the information to  
19 be released and all individuals who may receive the information;  
20 and state the specific purpose for which the information is sought,  
21 that files of ~~the~~**this** state may be accessed to obtain the  
22 information, and that the information sought will ~~only~~ be used **only**  
23 for the purpose indicated. The purpose specified in the release  
24 must be limited to that of providing a service or benefit to the  
25 individual signing the release or carrying out administration or  
26 evaluation of a public program to which the release pertains.

27 (iii) Except as **otherwise** provided in this act, the information  
28 and determinations must not be used in any action or proceeding  
29 before any court or administrative tribunal unless the unemployment



1 **insurance** agency is a party to or a complainant in the action or  
2 proceeding, or unless used for the prosecution of fraud, civil  
3 proceeding, or other legal proceeding in the programs indicated in  
4 subdivision (2).

5 (iv) Any report or statement, written or verbal, made by any  
6 person to the unemployment **insurance** agency, any member of the  
7 unemployment **insurance** agency, or any person engaged in  
8 administering this act is a privileged communication; and a person,  
9 firm, or corporation is not liable for slander or libel on account  
10 of a report or statement. The records and reports in the custody of  
11 the unemployment **insurance** agency must be available for examination  
12 by the employer or employee affected.

13 (v) Subject to restrictions that the unemployment **insurance**  
14 agency prescribes by rule, information in its possession may be  
15 made available to any agency of this state, **including, but not**  
16 **limited to, the Michigan center for data and analytics**, any other  
17 state, or any federal agency charged with the administration of an  
18 unemployment compensation law or the maintenance of a system of  
19 public employment offices; the ~~Bureau of~~ Internal Revenue **Service**  
20 of the United States Department of the Treasury; the Bureau of the  
21 Census of the Economics and Statistics Administration of the United  
22 States Department of Commerce; or the United States Social Security  
23 Administration.

24 (vi) Information obtained in connection with the administration  
25 of this act may be made available to persons or agencies for  
26 purposes appropriate to the operation of a public employment  
27 service or unemployment compensation program. Subject to  
28 restrictions that it prescribes by rule, the unemployment **insurance**  
29 agency may also make that information available to agencies of



1 other states that are responsible for the administration of public  
2 assistance to unemployed workers; to the departments of this state;  
3 and to federal, state, and local law enforcement agencies in  
4 connection with a criminal investigation involving the health,  
5 safety, or welfare of the public. The information released must be  
6 used only for purposes not inconsistent with the purposes of this  
7 act. The information must only be released upon assurance by the  
8 entity receiving the information that it will reimburse the cost of  
9 providing the information and will not disclose the information  
10 except to the individual or employer that is the subject of the  
11 information, an attorney or agent of the individual or employer, or  
12 a prosecuting authority for or on behalf of the entity receiving  
13 the information.

14 (vii) Upon request, the unemployment **insurance** agency shall  
15 furnish to any agency of the United States charged with the  
16 administration of public works or assistance through public  
17 employment, and may furnish to any state agency similarly charged,  
18 the name, address, ordinary occupation, and employment status of  
19 each recipient of benefits and the recipient's rights to further  
20 benefits under this act.

21 (viii) Subject to restrictions it prescribes, by rule or  
22 otherwise, the unemployment **insurance** agency may also make  
23 information that it obtains available for use in connection with  
24 research projects of a public service nature; for course, program,  
25 or training program planning, improvement, or evaluation; for grant  
26 application or evaluation; for institutional or program  
27 accreditation; for economic development or workforce research; for  
28 award eligibility; or for federal or state mandated reporting, to a  
29 public official, eligible educational institution, or Michigan



1 works agency or to an agency of this state that is acting as a  
2 contractor or agent of a public official and conducting research  
3 that assists the public official in carrying out the duties of the  
4 office. The unemployment **insurance** agency shall identify online the  
5 information that it collects that may be made available to public  
6 officials, eligible educational institutions, and Michigan works  
7 agencies and shall assist them in the application process required  
8 to gain access to that information. A person associated with those  
9 institutions or agencies or an agency of this state shall not  
10 disclose the information in a manner that would reveal the identity  
11 of an individual or employing unit from or concerning whom the  
12 information was obtained by the unemployment **insurance** agency. The  
13 unemployment **insurance** agency shall enter into a written,  
14 enforceable agreement with the public official for a period of not  
15 more than 10 years that holds the public official, eligible  
16 educational institution, or Michigan works agency responsible for  
17 ensuring that the confidentiality of the information is maintained.  
18 If the agreement is violated, the agreement must be terminated and  
19 the public official, eligible educational institution, or Michigan  
20 works agency may be subject to penalties equivalent to those that  
21 apply under section 54(f). The unemployment **insurance** agency, at  
22 the request of an independent educational institution, shall  
23 perform data analysis of information that the unemployment  
24 **insurance** agency has obtained and provide the results of the  
25 analysis to the independent educational institution. The  
26 unemployment **insurance** agency may perform analysis for course,  
27 program, or training program planning, improvement, or evaluation;  
28 grant application or evaluation; institutional or program  
29 accreditation; economic development or workforce research; award



1 eligibility; or federal or state mandated reporting. The  
2 unemployment **insurance** agency shall not disclose information to an  
3 independent educational institution in a manner that would reveal  
4 the identity of an individual or employing unit from or concerning  
5 whom the information was obtained by the unemployment **insurance**  
6 agency. ~~The unemployment agency shall comply with 20 CFR 603.8. As~~  
7 used in this subparagraph:

8 (a) "Eligible educational institution" means a public  
9 community or junior college established under section 7 of article  
10 VIII of the state constitution of 1963 or part 25 of the revised  
11 school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a state  
12 university described in section 4, 5, or 6 of article VIII of the  
13 state constitution of 1963.

14 (b) "Independent educational institution" means an independent  
15 nonprofit college or university located in this state.

16 (c) "Michigan works agency" means an entity described in  
17 section 17(a) or (d) of the Michigan works one-stop service center  
18 system act, 2006 PA 491, MCL 408.127.

19 (d) "Public official" means that term as defined in 20 CFR  
20 603.2 and includes an eligible educational institution and a  
21 Michigan works agency.

22 (ix) The unemployment **insurance** agency may request the  
23 Comptroller of the Currency of the United States to cause an  
24 examination of the correctness of any return or report of any  
25 national banking association rendered under this act, and may, in  
26 connection with the request, transmit the report or return to the  
27 Comptroller of the Currency of the United States as provided in  
28 section 3305(c) of the internal revenue code of 1986, 26 USC  
29 ~~3305(e).~~**3305.**





1           (x) Subject to the requirements of 20 CFR 603.8, the  
2 unemployment insurance agency shall calculate its costs to process  
3 and handle requests for disclosure of information in its  
4 possession. The recipient of the disclosure of information shall  
5 pay the costs calculated by the unemployment insurance agency  
6 unless either of the following applies:

7           (A) The costs reflect an incidental amount of unemployment  
8 insurance agency staff time and there are only nominal processing  
9 costs.

10           (B) The unemployment insurance agency has a reciprocal cost  
11 agreement or arrangement with the person that receives the  
12 disclosure of information where the relative benefits received by  
13 the unemployment insurance agency and the recipient are  
14 approximately equal.

15           (xi) Any information in the unemployment insurance agency's  
16 possession must be made available in response to a court order or  
17 to an official with subpoena authority in accordance with 20 CFR  
18 603.7(b).

19           (xii) Except as otherwise provided in this section and this  
20 subparagraph, any records of the methods used by the unemployment  
21 insurance agency to identify and investigate fraudulent claims are  
22 exempt from disclosure under the freedom of information act, 1976  
23 PA 442, MCL 15.231 to 15.246, unless a licensed attorney who is in  
24 good standing with the state bar of Michigan makes a request for  
25 the records under the freedom of information act, 1976 PA 442, MCL  
26 15.231 to 15.246.

27           (2) The unemployment **insurance** agency shall disclose to  
28 qualified requesting agencies, upon request, with respect to an  
29 identified individual, information in its records pertaining to the



1 individual's name; social security number; gross wages paid during  
 2 each quarter; the name, address, and federal and state employer  
 3 identification number of the individual's employer; any other wage  
 4 information; whether an individual is receiving, has received, or  
 5 has applied for unemployment benefits; the amount of unemployment  
 6 benefits the individual is receiving or is entitled to receive; the  
 7 individual's current or most recent home address; whether the  
 8 individual has refused an offer of work and if so a description of  
 9 the job offered including the terms, conditions, and rate of pay;  
 10 and any other information that the qualified requesting agency  
 11 considers useful in verifying eligibility for, and the amount of,  
 12 benefits. For purposes of this subdivision, "qualified requesting  
 13 agency" means any state or local child support enforcement agency  
 14 responsible for enforcing child support obligations under a plan  
 15 approved under part d of title IV of the social security act, 42  
 16 USC 651 to 669b; the United States Social Security Administration  
 17 for purposes of establishing or verifying eligibility or benefit  
 18 amounts under titles II and XVI of the social security act, 42 USC  
 19 401 to 434 and 42 USC 1381 to 1383f; the United States Department  
 20 of Agriculture for the purposes of determining eligibility for, and  
 21 amount of, benefits under the food stamp program established under  
 22 the food stamp act of 1977, 7 USC 2011 to ~~2036e~~, **2036d**; and any  
 23 other state or local agency of this or any other state responsible  
 24 for administering the following programs:

25 (i) The aid to families with dependent children program under  
 26 part a of title IV of the social security act, 42 USC 601 to 619.

27 (ii) The Medicaid program under title XIX of the social  
 28 security act, 42 USC 1396 to ~~1396w-5~~. **1396w-7**.

29 (iii) The unemployment compensation program under section 3304



1 of the internal revenue code of 1986, 26 USC 3304.

2 (iv) The food stamp program under the food stamp act of 1977, 7  
3 USC 2011 to ~~2036e~~.**2036d**.

4 (v) Any state program under a plan approved under title I, X,  
5 XIV, or XVI of the social security act, 42 USC 301 to 306, 42 USC  
6 1201 to 1206, 42 USC 1351 to 1355, and 42 USC 1381 to ~~1383f~~.**1385**.

7 (vi) Any program administered under the social welfare act,  
8 1939 PA 280, MCL 400.1 to 400.119b.

9 The information must be disclosed only if the qualified  
10 requesting agency has executed an agreement with the unemployment  
11 **insurance** agency to obtain the information and the information is  
12 requested for the purpose of determining the eligibility of  
13 applicants for benefits, or the type and amount of benefits for  
14 which applicants are eligible, under any of the programs listed  
15 above or under title II and XVI of the social security act, 42 USC  
16 401 to 434 and 42 USC 1381 to ~~1383f~~.**1385**; for establishing and  
17 collecting child support obligations from, and locating individuals  
18 owing such obligations that are being enforced under a plan  
19 described in section 454 of the social security act, 42 USC 654; or  
20 for investigating or prosecuting alleged fraud under any of these  
21 programs.

22 The unemployment **insurance** agency shall cooperate with this  
23 state's department of health and human services in establishing the  
24 computer data matching system authorized in section 83 of the  
25 social welfare act, 1939 PA 280, MCL 400.83, to transmit the  
26 information requested on at least a quarterly basis. The  
27 information must not be released unless the qualified requesting  
28 agency agrees to reimburse the unemployment **insurance** agency for  
29 the costs incurred in furnishing the information.



1           In addition to the requirements of this section, except as  
2 later provided in this subdivision, all other requirements with  
3 respect to confidentiality of information obtained in the  
4 administration of this act apply to the use of the information by  
5 the officers and employees of the qualified requesting agencies,  
6 and the sanctions imposed under this act for improper disclosure of  
7 the information apply to those officers and employees. A qualified  
8 requesting agency may redisclose information only to the individual  
9 who is the subject of the information, an attorney or other duly  
10 authorized agent representing the individual if the information is  
11 needed in connection with a claim for benefits against the  
12 requesting agency, or any criminal or civil prosecuting authority  
13 acting for or on behalf of the requesting agency.

14           The unemployment **insurance** agency may enter into an agreement  
15 with any qualified requesting agency for the purposes described in  
16 this subdivision. The agreement or agreements must comply with all  
17 federal laws and regulations applicable to those agreements.

18           (3) The unemployment **insurance** agency shall enable the United  
19 States Department of Health and Human Services to obtain prompt  
20 access to any wage and unemployment benefit claims information,  
21 including any information that may be useful in locating an absent  
22 parent or an absent parent's employer for purposes of section 453  
23 of the social security act, 42 USC 653, or in carrying out the  
24 child support enforcement program under title IV of the social  
25 security act, 42 USC 601 to ~~679e.~~ **681**. The unemployment **insurance**  
26 agency shall not provide the requesting agency access to the  
27 information unless the requesting agency agrees to reimburse the  
28 unemployment **insurance** agency for the costs incurred in furnishing  
29 the information.



1           (4) Upon request accompanied by presentation of a consent to  
2 the release of information signed by an individual, the  
3 unemployment **insurance** agency shall disclose to the United States  
4 Department of Housing and Urban Development, any state or local  
5 public housing agency, or an entity contracting with a state or  
6 local public housing agency to provide public housing, or any other  
7 agency responsible for verifying an applicant's or participant's  
8 eligibility for, or level of benefits in, any housing assistance  
9 program administered by the United States Department of Housing and  
10 Urban Development, the name; address; wage information; whether an  
11 individual is receiving, has received, or has applied for  
12 unemployment benefits; and the amount of unemployment benefits the  
13 individual is receiving or is entitled to receive under this act.  
14 This information must be used only to determine an individual's  
15 eligibility for benefits or the amount of benefits to which an  
16 individual is entitled under a housing assistance program of the  
17 United States Department of Housing and Urban Development. The  
18 unemployment **insurance** agency shall not release the information  
19 unless the requesting agency agrees to reimburse the unemployment  
20 **insurance** agency for the costs incurred in furnishing the  
21 information. For purposes of this subdivision, "public housing  
22 agency" means an agency described in section 3(b)(6) of the United  
23 States housing act of 1937, 42 USC ~~1437a(b)(6)~~.**1437a.**

24           (5) The unemployment **insurance** agency may make available to  
25 the department of treasury information collected for the income and  
26 eligibility verification system begun on October 1, 1988 for the  
27 purpose of detecting potential tax fraud in other areas.

28           (6) A recipient of confidential information under this act  
29 shall use the disclosed information only for purposes authorized by



1 law and consistent with an agreement entered into with the  
2 unemployment **insurance** agency. The recipient shall not redisclose  
3 the information to any other individual or entity without the  
4 written permission of the unemployment **insurance** agency.

5 (c) The unemployment **insurance** agency may enter into  
6 agreements with the appropriate agencies of other states or the  
7 federal government under which potential rights to benefits  
8 accumulated under the unemployment compensation laws of other  
9 states or of the federal government, or both, may constitute the  
10 basis for the payment of benefits through a single appropriate  
11 agency under plans that the unemployment **insurance** agency finds  
12 will be fair and reasonable to all affected interests and will not  
13 result in substantial loss to the unemployment compensation fund.

14 (d)(1) The unemployment **insurance** agency may enter into  
15 reciprocal agreements with the appropriate agencies of other states  
16 or of the federal government that adjust the collection and payment  
17 of contributions by employers with respect to employment not  
18 localized within this state.

19 (2) The unemployment **insurance** agency may enter into  
20 reciprocal agreements with agencies of other states administering  
21 unemployment compensation under which contributions paid by an  
22 employer to any other state may be received by the other state as  
23 an agent acting for and on behalf of this state to the same extent  
24 as if the contributions had been paid directly to this state if the  
25 payment is remitted to this state. Contributions so received by  
26 another state are considered contributions, required and paid under  
27 this act as of the date the contributions were received by the  
28 other state. The unemployment **insurance** agency may collect  
29 contributions in a like manner for agencies of other states



1 administering unemployment compensation and remit the contributions  
2 to the agencies under the terms of the reciprocal agreements.

3 (e) The unemployment **insurance** agency may make this state's  
4 records relating to the administration of this act available and  
5 may furnish to the Railroad Retirement Board or any other state or  
6 federal agency administering an unemployment compensation law, at  
7 the expense of that board or agency, copies of the records as the  
8 Railroad Retirement Board considers necessary for its purpose.

9 (f) The unemployment **insurance** agency may cooperate with or  
10 enter into agreements with any agency of another state or of the  
11 United States charged with the administration of any unemployment  
12 insurance or public employment service law.

13 The unemployment **insurance** agency may investigate, secure, and  
14 transmit information, make available services and facilities, and  
15 exercise other powers provided in this act with respect to the  
16 administration of this act as it considers necessary or appropriate  
17 to facilitate the administration of any unemployment compensation  
18 or public employment service law, and may accept and utilize  
19 information, services, and facilities made available to this state  
20 by the agency charged with the administration of any other  
21 unemployment compensation or public employment service law.

22 On request of an agency that administers an employment  
23 security law of another state or a foreign government and that has  
24 found, in accordance with that law, that a claimant is liable to  
25 repay benefits received under that law, the unemployment **insurance**  
26 agency may collect the amount of the benefits from the claimant to  
27 be refunded to that agency.

28 ~~In a case in which~~ **If** under this subsection a claimant is  
29 liable to repay an amount to the agency of another state or a



1 foreign government, the amount may be collected by civil action in  
 2 the name of the unemployment **insurance** agency acting as agent for  
 3 that agency. Court costs must be paid or guaranteed by the agency  
 4 of that state.

5 To the extent permissible under the laws and constitution of  
 6 the United States, the unemployment **insurance** agency may enter into  
 7 or cooperate in arrangements under which facilities and services  
 8 provided under this act and facilities and services provided under  
 9 the unemployment compensation law of Canada may be utilized for the  
 10 taking of claims and the payment of benefits under the unemployment  
 11 compensation law of this state or under a similar law of Canada.

12 Any employer who is not a resident of this state and who  
 13 exercises the privilege of having 1 or more individuals perform  
 14 service for ~~him or her~~ **the employer** within this state, and any  
 15 resident employer who exercises that privilege and thereafter  
 16 leaves this state, is considered to have appointed the secretary of  
 17 state as ~~his or her~~ **the employer's** agent and attorney for the  
 18 acceptance of process in any civil action under this act. In  
 19 instituting an action, the unemployment **insurance** agency shall  
 20 cause process or notice to be filed with the secretary of state,  
 21 and the service is sufficient and of the same force and validity as  
 22 if served ~~upon~~ **on** the nonresident or absent employer personally  
 23 within this state. The unemployment **insurance** agency shall  
 24 immediately send a notice and copy of the service of process or  
 25 notice by certified mail, return receipt requested, to the employer  
 26 at ~~his or her~~ **the employer's** last known address. The return  
 27 receipt, the unemployment **insurance** agency's affidavit of  
 28 compliance with this section, and a copy of the notice of service  
 29 must be attached to the original of the process filed in the court





1 in which the civil action is pending.

2 The courts of this state shall recognize and enforce  
3 liabilities, as provided in this act, for unemployment compensation  
4 contributions, penalties, and interest imposed by other states that  
5 extend a like comity to this state.

6 The attorney general may commence action in the appropriate  
7 court of any other state or any other jurisdiction of the United  
8 States by and in the name of the unemployment **insurance** agency to  
9 collect unemployment compensation contributions, penalties, and  
10 interest finally determined, redetermined, or decided under this  
11 act to be legally due to this state. The officials of other states  
12 that extend a like comity to this state may sue in the courts of  
13 this state for the collection of unemployment compensation  
14 contributions, penalties, and interest, the liability for which has  
15 been similarly established under the laws of the other state or  
16 jurisdiction. A certificate by the secretary of another state under  
17 the great seal of that state attesting the authority of the  
18 official or officials to collect unemployment compensation  
19 contributions, penalties, and interest is conclusive evidence of  
20 that authority.

21 The attorney general may commence action in this state as  
22 agent for or on behalf of any other state to enforce judgments and  
23 established liabilities for unemployment compensation taxes or  
24 contributions, penalties, and interest due the other state if the  
25 other state extends a like comity to this state.

26 (g) The unemployment **insurance** agency may enter into  
27 reciprocal agreements with the appropriate and authorized agencies  
28 of other states or of the federal government under which  
29 remuneration and services that determine entitlement to benefits



1 under the unemployment compensation law of another state or of the  
2 federal government are considered wages and employment for the  
3 purposes of sections 27 and 46, if the other state or federal  
4 agency has agreed to reimburse the fund for that portion of  
5 benefits paid under this act upon the basis of the remuneration and  
6 services as the unemployment **insurance** agency finds will be fair  
7 and reasonable as to all affected interests. A reciprocal agreement  
8 may provide that wages and employment that determine entitlement to  
9 benefits under this act are considered wages or services on the  
10 basis of which unemployment compensation under the law of another  
11 state or of the federal government is payable; that services  
12 performed by an individual for a single employing unit for which  
13 services are customarily performed by the individual in more than 1  
14 state are considered services performed entirely within any 1 of  
15 the states in which any part of the individual's service is  
16 performed, in which the individual ~~has his or her residence,~~ **is a**  
17 **resident**, or in which the employing unit maintains a place of  
18 business, if there is in effect, as to those services, an election  
19 approved by the agency charged with the administration of ~~the~~ **that**  
20 state's unemployment compensation law, under which all the services  
21 performed by the individual for the employing unit are considered  
22 to be performed entirely within this state; and that the  
23 unemployment **insurance** agency will reimburse other state or federal  
24 agencies charged with the administration of unemployment  
25 compensation laws with the reasonable portion of benefits, paid  
26 under the law of any other state or of the federal government upon  
27 the basis of employment and wages, as the unemployment **insurance**  
28 agency finds will be fair and reasonable as to all affected  
29 interests. Reimbursements payable under this subsection are



1 considered benefits for the purpose of limiting duration of  
2 benefits and for the purposes of sections 20(a) and 26, and the  
3 payments are chargeable to the contributing employer's experience  
4 account for the purposes of sections 17, 18, 19, and 20, or the  
5 reimbursing employer's account under section 13c, 13g, 13i, or 13l,  
6 as applicable. Benefits paid under a combined wage plan must be  
7 allocated and charged to each employer involved in the quarter in  
8 which the paying state requires reimbursement. Benefits charged to  
9 this state must be allocated to each employer of this state who has  
10 employed the claimant during the base period of the paying state in  
11 the same ratio that the wages earned by the claimant during the  
12 base period of the paying state in the employ of the employer bears  
13 to the total amount of wages earned by the claimant in the base  
14 period of the paying state in the employ of all employers of the  
15 state. The unemployment **insurance** agency may make to and receive  
16 from other state or federal agencies reimbursements from or to the  
17 fund, pursuant to arrangements made under this section.

18 (h) The unemployment **insurance** agency may enter into any  
19 agreement necessary to cooperate with any agency of the United  
20 States charged with the administration of any program for the  
21 payment of primary or supplemental benefits to individuals recently  
22 discharged from the military services of the United States and to  
23 assist in the establishing of eligibility and in the payments of  
24 benefits under those programs. The unemployment **insurance** agency  
25 may, for those purposes, accept and administer funds made available  
26 by the federal government and may accept and exercise any delegated  
27 function under those programs. The unemployment **insurance** agency  
28 shall not enter into an agreement providing for, or exercise any  
29 function connected with, the disbursement of this state's



1 unemployment trust fund for purposes not authorized by this act.

2 (i) The unemployment **insurance** agency may enter into  
3 agreements with the appropriate agency of the United States under  
4 which, in accordance with the laws of the United States, the  
5 unemployment **insurance** agency, as agent of the United States or  
6 from funds provided by the United States, provides for the payment  
7 of unemployment compensation or unemployment allowances of any  
8 kind, including the payment of any benefits and allowances that are  
9 made available for manpower development, training, retraining,  
10 readjustment, and relocation. The unemployment **insurance** agency may  
11 receive and disburse funds from the United States or any  
12 appropriate agency of the United States pursuant to those  
13 agreements.

14 If the federal enactment providing for unemployment  
15 compensation, training allowance, or relocation payments requires  
16 joint federal-state financing of those payments, the unemployment  
17 **insurance** agency may participate in the programs by using funds  
18 appropriated by the legislature to the extent provided by the  
19 legislature for those programs.

20 (j) The unemployment **insurance** agency shall participate in any  
21 arrangement that provides for the payment of compensation on the  
22 basis of combining an individual's wages and employment covered  
23 under this act with ~~his or her~~ **the individual's** wages and  
24 employment covered under the unemployment compensation laws of  
25 other states, if the arrangement is approved by the United States  
26 Secretary of Labor in consultation with the state unemployment  
27 compensation agencies as reasonably calculated to assure the prompt  
28 and full payment of compensation. An arrangement must include  
29 provisions for both of the following:



1 (i) Applying the base period of a single state law to a claim  
 2 involving the combining of an individual's wages and employment  
 3 covered under 2 or more state unemployment compensation laws.

4 (ii) Avoiding the duplicate use of wages and employment as a  
 5 result of the combining.

6 (k) The attorney general of this state or attorneys designated  
 7 by the attorney general shall represent the unemployment **insurance**  
 8 agency and this state in a proceeding before any court. Only the  
 9 attorney general or other attorneys designated by the attorney  
 10 general shall act as legal counsel for the unemployment **insurance**  
 11 agency.

12 Sec. 11a. An individual who testifies voluntarily before  
 13 another body concerning representations the individual made to the  
 14 unemployment **insurance** agency pursuant to the administration of  
 15 this act waives any privilege under section 11 otherwise applying  
 16 to the individual's representations to the unemployment **insurance**  
 17 agency.

18 Sec. 12. (1) This state ~~hereby~~ accepts the provisions of the  
 19 Wagner-Peyser act.

20 (2) The state employment service is established in the  
 21 ~~employment security commission~~ **department of labor and economic**  
 22 **opportunity**, which ~~shall be so~~ **is** administered ~~as~~ to cooperate with  
 23 any federal agency charged with the administration of the Wagner-  
 24 Peyser act and to conform with the requirements of the Wagner-  
 25 Peyser act. ~~Free public employment offices which shall be~~  
 26 ~~designated as the state employment service offices shall be~~  
 27 ~~established and maintained by the commission in such number and~~  
 28 ~~such places as may be necessary for the proper administration of~~  
 29 ~~this act and for the purpose of performing such functions as are~~



1 ~~within the purview of the Wagner-Peyser act. The commission is~~  
 2 ~~designated and constituted the agency of this state for the purpose~~  
 3 ~~of the Wagner-Peyser act.~~

4 ~~The commission is authorized and empowered, subject to the~~  
 5 ~~approval of any federal agency charged with the administration of~~  
 6 ~~the Wagner-Peyser act, to establish and operate in each employment~~  
 7 ~~service office established in the state, a department or division,~~  
 8 ~~the sole function and purpose of which shall be to secure and make~~  
 9 ~~available, insofar as is possible, suitable employment for persons~~  
 10 ~~over 45 years of age.~~

11 (3) All moneys ~~money~~ made available by  ~~,~~ or received by this  
 12 state under said ~~act of congress,~~ shall ~~the Wagner-Peyser act must~~  
 13 be paid into the ~~Wagner-Peyser~~ administration fund created by this  
 14 act.  ~~,~~ and said moneys are ~~The money~~ appropriated and made  
 15 available to the state employment service ~~to must~~ be expended only  
 16 for the uses and purposes for which ~~same are that money is~~  
 17 received, as provided by this act and by ~~said the~~ Wagner-Peyser  
 18 act.

19 ~~For the purpose of establishing and maintaining free public~~  
 20 ~~employment offices, the commission is authorized to enter into~~  
 21 ~~agreements with any political subdivision of this state, or with~~  
 22 ~~any private, nonprofit organization, and as a part of any such~~  
 23 ~~agreement the commission may accept moneys, services, or quarters~~  
 24 ~~as a contribution to the administration fund.~~

25 ~~"Employment office" means a free public employment office or~~  
 26 ~~branch thereof which is operated by this state or another state as~~  
 27 ~~a part of a state controlled system of public employment offices,~~  
 28 ~~or by a federal agency which is charged with the administration of~~  
 29 ~~an unemployment compensation program or of free public employment~~



1 offices.

2 (4) As used in this section, "Wagner-Peyser act" means the act  
 3 ~~passed by the congress of the United States of America, entitled~~  
 4 ~~"An act to provide for the establishment of a national employment~~  
 5 ~~system and for cooperation with the states in the promotion of said~~  
 6 ~~system, and for other purposes," approved June 6, 1933, being 48~~  
 7 ~~statutes 113; United States code, title 29, section 49(c), as~~  
 8 ~~amended, known as the Wagner-Peyser act, 29 USC 49 to 49l-2.~~

9 Sec. 13. (1) Each employer subject to this act shall pay to  
 10 the unemployment **insurance** agency a tax in the form of payments in  
 11 lieu of contributions if the employer is liable for those payments,  
 12 or shall pay tax contributions equal to a standard rate of 5.4%,  
 13 subject to an adjustment in rate of contributions as provided for  
 14 in section 19. The contributions become due and must be paid to the  
 15 unemployment **insurance** agency, for the unemployment compensation  
 16 fund, by each employer semiannually or for shorter periods of not  
 17 less than 28 days, as the unemployment **insurance** agency may  
 18 **prescribe** by rule. ~~prescribe.~~ Contributions due and payable from an  
 19 employer that is liable under this act solely on the basis of the  
 20 payment of wages for domestic service may be paid annually on the  
 21 date specified by the unemployment **insurance** agency. An obligation  
 22 assessment payment made pursuant to section 10a or a contribution  
 23 payment made pursuant to this section must be credited first to  
 24 interest on the obligation assessment and then to the obligation  
 25 assessment, with those payments applied to amounts unpaid and owing  
 26 in the oldest calendar quarter and progressing each quarter to the  
 27 most recent quarter. Any remainder must be credited first to  
 28 penalties on contributions, then to interest on contributions, and  
 29 then to contribution principal, with those payments applied to



1 amounts unpaid and owing in the oldest calendar quarter and  
 2 progressing each quarter to the most recent quarter. An employer's  
 3 contribution must not be deducted directly or indirectly, in whole  
 4 or in part, from wages of individuals in ~~his or her~~ **the employer's**  
 5 employ. A contribution payment amount that is not an even dollar  
 6 amount must be credited to the account of the employer in an amount  
 7 equal to the next lower dollar amount if under 50 cents and in an  
 8 amount equal to the next higher dollar amount if 50 cents or more.  
 9 The unemployment **insurance** agency may prescribe by rule the details  
 10 of the computation and payment of contributions. Every employing  
 11 unit shall file with the unemployment **insurance** agency periodic  
 12 reports on forms and at a time the unemployment **insurance** agency  
 13 prescribes to disclose liability for contributions under this act.  
 14 Each employing unit shall keep records, including wage and  
 15 employment records, and shall, within prescribed time limits,  
 16 submit or provide reports, including wage and employment reports,  
 17 to the unemployment **insurance** agency or to the employing unit's  
 18 employees or former employees as the unemployment **insurance** agency  
 19 prescribes by rule.

20 (2) ~~Beginning with the first quarter of 1986, each~~ **Each**  
 21 employer shall file a quarterly wage report with the unemployment  
 22 **insurance** agency, on forms and at a time as the unemployment  
 23 **insurance** agency prescribes, which ~~shall~~ **must** include for each of  
 24 the employer's employees the employee's name, Social Security  
 25 number, gross wages paid during each quarter, and the name,  
 26 address, and federal and state employer identification number of  
 27 the individual's employer. If the unemployment **insurance** agency  
 28 discovers an error in a report filed timely, the unemployment  
 29 **insurance** agency shall provide written notification to the employer





1 of the error. If the employer provides corrected information ~~within~~  
 2 **not more than** 14 days ~~of~~**after** the notification, the administrative  
 3 fine provided in section 54 for a late, incomplete, or erroneous  
 4 report does not apply. An employer that has more than 25 employees  
 5 on January 1, 2013 shall file quarterly reports beginning with the  
 6 report for the first quarter of 2013 by an electronic method  
 7 approved by the unemployment **insurance** agency. An employer that has  
 8 more than 5 but fewer than 26 employees on January 1, 2013 shall  
 9 file quarterly reports beginning with the report for the first  
 10 quarter of 2014 by an electronic method approved by the  
 11 unemployment **insurance** agency. An employer that has 5 or fewer  
 12 employees on January 1, 2013 shall file quarterly reports beginning  
 13 with the report for the first quarter of 2015 by an electronic  
 14 method approved by the unemployment **insurance** agency, except that  
 15 the director of the unemployment **insurance** agency, upon application  
 16 by the employer, may grant additional time for the employer to  
 17 comply with the electronic filing method if the director concludes  
 18 that satisfying the requirement of electronic filing will cause  
 19 economic hardship for the employer. The employer shall provide, and  
 20 the director shall consider, information about the employer's  
 21 anticipated cost expenditure for preparing for electronic filing  
 22 and about the employer's annual income. An employer that complies  
 23 with the reporting requirements of this subsection by filing  
 24 electronically a quarterly wage report using a method approved by  
 25 the unemployment **insurance** agency is not required to file  
 26 periodically to disclose contributions under this act.

27 (3) If in the first quarter of a year an eligible contributing  
 28 employer incurs a contribution obligation that is equal to 50% or  
 29 more of the eligible contributing employer's total contribution



1 obligation for the immediately preceding year, the eligible  
 2 contributing employer may discharge the liability for that first-  
 3 quarter contribution obligation by making quarterly payments that  
 4 distribute the first-quarter contribution obligation equally over  
 5 the first quarter and the immediately succeeding 3 quarters. To  
 6 avoid interest and penalties otherwise applicable to the payments  
 7 described in this subsection, an employer that meets the  
 8 requirements of this subsection shall notify the unemployment  
 9 **insurance** agency of its election to make apportioned payments with  
 10 the first quarter's payment and timely file each succeeding  
 11 quarterly payment in the amounts prescribed in section 15a. This  
 12 subsection applies to contributions beginning in the 2013 tax year.  
 13 The unemployment **insurance** agency shall include a description of  
 14 the optional payment method described in this subsection on the  
 15 form, whether electronic or otherwise, that it provides to  
 16 contributing employers for the payment of taxes and contributions  
 17 required under this section. As used in this subsection, "eligible  
 18 contributing employer" means a contributing employer that employed  
 19 either of the following:

20 (a) 25 or fewer individuals during the pay period that  
 21 includes January 12, 2022.

22 (b) 100 or fewer individuals during the pay period that  
 23 includes March 31, 2022 or during the corresponding pay period in a  
 24 succeeding calendar year.

25 Sec. 13a. (1) ~~Any~~ **A** nonprofit organization ~~which~~ **that** is, or  
 26 becomes, subject to this act after December 31, 1971 ~~,~~ shall pay  
 27 contributions as a contributing employer ~~pursuant to~~ **in accordance**  
 28 **with** section 13, unless it elects to make reimbursement payments in  
 29 lieu of contributions as a reimbursing employer ~~pursuant to~~ **in**



1 **accordance with this section and** sections ~~13a to 13b~~ and 13c. For  
 2 the purpose of this act, a nonprofit organization is an  
 3 organization or group of organizations ~~which is~~ described in  
 4 section 501(c)(3) of the ~~federal~~ internal revenue code **of 1986, 26**  
 5 **USC 501**, and is exempt from income tax under section 501(a) of ~~that~~  
 6 **the internal revenue code of 1986, 26 USC 501.**

7 (2) A nonprofit organization ~~which~~**that** is subject to this act  
 8 on December 31, 1971 ~~,~~ may elect to become a reimbursing employer  
 9 for a period of not less than 2 calendar years beginning with  
 10 January 1, 1972 if it files with the ~~commission~~**unemployment**  
 11 **insurance agency** a written notice of its election ~~within~~**not later**  
 12 **than** 30 days after January 1, 1972.

13 (3) A nonprofit organization ~~which~~**that** becomes subject to  
 14 this act on or after January 1, 1972 ~~,~~ may elect to become a  
 15 reimbursing employer for a period of not less than 2 calendar years  
 16 beginning with the calendar year which contains the day when it  
 17 became subject to this act by filing a written notice of its  
 18 election with the ~~commission~~**unemployment insurance agency** not  
 19 later than 30 days immediately following the date of determination  
 20 that it was subject to this act.

21 (4) A nonprofit organization subject to this act that elects  
 22 to become a reimbursing employer on or after ~~the effective date of~~  
 23 ~~the amendatory act that added this subsection~~ **December 21, 1989**  
 24 shall execute and file a surety bond, irrevocable letter of credit,  
 25 or other security as approved by the ~~commission~~**unemployment**  
 26 **insurance agency** in an amount approved by the ~~commission~~  
 27 **unemployment insurance agency** to secure the payment of its  
 28 obligations under this act. This subsection ~~shall~~**does** not apply to  
 29 any nonprofit reimbursing employer who pays \$100,000.00 or less



1 remuneration per calendar year for employment as determined by the  
 2 ~~commission-unemployment insurance agency.~~

3       Sec. 13b. (1) A nonprofit organization ~~which-that~~ makes an  
 4 election in accordance with section 13a(2) or (3) ~~shall continue to~~  
 5 ~~be-is~~ liable for reimbursement payments in lieu of contributions  
 6 until it files with the ~~commission-unemployment insurance agency~~ a  
 7 written notice terminating its status as a reimbursing employer. A  
 8 notice of termination may not be filed later than 30 days before  
 9 the beginning of the calendar year when the termination is to be  
 10 effective. Subsequent to the effective date of termination, the  
 11 nonprofit organization shall be considered a newly liable employer  
 12 for purposes of section 19(a).

13       (2) A nonprofit organization ~~which-that~~ pays contributions  
 14 under this act for a period ~~subsequent to-after~~ January 1, 1972 ~~r~~  
 15 may elect to become a reimbursing employer by filing a written  
 16 notice of election with the ~~commission-unemployment insurance~~  
 17 ~~agency~~ not later than 30 days before the beginning of a calendar  
 18 year for which the election is effective. An election may not be  
 19 terminated by the organization for the same year with respect to  
 20 which the election is made or the following year.

21       (3) The ~~commission-unemployment insurance agency~~ for good  
 22 cause may extend for 30 days the period within which a notice of  
 23 election or a notice of termination ~~shall-must~~ be filed under this  
 24 section or under section 13a.

25       (4) The ~~commission-unemployment insurance agency,~~ in  
 26 accordance with section 14, shall notify a nonprofit organization  
 27 of a determination ~~which-is-made-of-regarding~~ its status as an  
 28 employer, the effective date of an election ~~which-that~~ it makes,  
 29 and the termination of the election. The determinations ~~shall-be~~



1 **are** final unless further proceedings are taken ~~pursuant to~~ **under**  
2 section 32a.

3       Sec. 13c. (1) A nonprofit organization or group of nonprofit  
4 organizations ~~which is liable~~ for reimbursement payments in lieu of  
5 contributions shall pay to the ~~commission~~ **unemployment insurance**  
6 **agency** an amount equal to the full amount of regular benefits plus  
7 the amount of extended benefits and training benefits paid during  
8 any calendar quarter that is attributable to service in the employ  
9 of such organization and ~~which that~~ is not reimbursable by the  
10 federal government. The amount ~~which that~~ a nonprofit organization  
11 or group of nonprofit organizations is required to pay ~~shall~~ **must**  
12 be ascertained by the ~~commission~~ **unemployment insurance agency** as  
13 soon as practicable after the end of each calendar quarter and a  
14 statement of charges ~~shall~~ **must** be mailed to each nonprofit  
15 organization or group of organizations. Payment of the amount  
16 indicated in the statement of charges ~~shall~~ **must** not be made later  
17 than 30 days after the statement of charges was mailed.

18       (2) Past due reimbursement payments in lieu of contributions  
19 ~~shall be~~ **are** subject to the interest, penalty, assessment, and  
20 collection provisions provided in section 15.

21       Sec. 13d. If a nonprofit organization is delinquent in making  
22 reimbursement payments in lieu of contributions as required  
23 ~~pursuant to~~ **under** sections 13a to 13c, the ~~commission~~ **unemployment**  
24 **insurance agency** may terminate the organization's election to make  
25 reimbursement payments in lieu of contributions as of the beginning  
26 of the next calendar year, which termination ~~shall be~~ **is** effective  
27 for that and the next calendar year, or the ~~commission~~ **unemployment**  
28 **insurance agency** may require the nonprofit organization to execute  
29 and file with the ~~commission~~ **unemployment insurance agency** a surety



1 bond, irrevocable letter of credit, or other security as approved  
 2 by the ~~commission~~ **unemployment insurance agency** in an amount  
 3 approved by the ~~commission~~ **unemployment insurance agency** to secure  
 4 the payment of its obligations under this act.

5 Sec. 13e. (1) Two or more employers who become liable for  
 6 reimbursement payments in lieu of contributions ~~pursuant to~~ **under**  
 7 sections 13a to 13c, or ~~after December 31, 1977,~~ 2 or more  
 8 employers who become liable for reimbursement payments in lieu of  
 9 contributions ~~pursuant to~~ **under** section 13i, may file a joint  
 10 application with the ~~commission~~ **unemployment insurance agency** for  
 11 the establishment of a group account for the purpose of sharing the  
 12 cost of benefits paid that are attributable to service in the  
 13 employ of those employers. The joint application ~~shall~~ **must**  
 14 identify and authorize a representative to act for the group for  
 15 the purposes of this act. Upon approval of the application, the  
 16 ~~commission~~ **unemployment insurance agency** shall establish a group  
 17 account for the employers ~~which shall be~~ **that is** effective as of  
 18 the beginning of the calendar quarter in which the application is  
 19 received or the first day of the following calendar quarter if  
 20 requested by the group's representative. The ~~commission~~  
 21 **unemployment insurance agency** shall notify the group's  
 22 representative of the effective date of the account. The account  
 23 ~~shall remain~~ **remains** in effect for not less than 2 calendar years  
 24 ~~and thereafter~~ until terminated at the discretion of the ~~commission~~  
 25 **unemployment insurance agency** or upon application by the group.

26 Upon written notice to the ~~commission,~~ **unemployment insurance**  
 27 **agency**, an employer shall be added to a group account effective the  
 28 first day of the calendar quarter in which the notice is received  
 29 or the first day of the following calendar quarter if requested by



1 the employer. Upon written notice received by the ~~commission,~~  
 2 **unemployment insurance agency**, not later than 30 days before the  
 3 start of a calendar year, an employer shall be removed from a group  
 4 account. However, an employer ~~shall remain~~**remains** a member of the  
 5 group for not less than 2 calendar years.

6 (2) ~~In the case of~~**For** a group composed of nonprofit  
 7 organizations, the group ~~shall be~~**is** liable for all benefit  
 8 charges, which are based on service with an employer while it was a  
 9 member of that group. Membership in a group ~~shall~~**does** not relieve  
 10 a member of liability for charges attributable to service in its  
 11 employ.

12 (3) ~~In the case of~~**For** a group composed of governmental  
 13 entities, the group ~~shall be~~**is** liable for all benefit charges,  
 14 which are based on services with an employer while it was a member  
 15 of that group. Membership in a group account ~~shall~~**does** not relieve  
 16 a member of liability for charges attributable to service in its  
 17 employ.

18 (4) ~~The provision of that section as amended by this 1977~~  
 19 ~~amendatory act shall be effective January 1, 1978, and shall apply~~  
 20 ~~to all group accounts in existence, or established, on or after~~  
 21 ~~that date.~~

22 Sec. 13f. (1) ~~For benefit years established before the~~  
 23 ~~conversion date prescribed in section 75, the benefits paid on the~~  
 24 ~~basis of credit weeks earned with a nonprofit organization while it~~  
 25 ~~was a reimbursing employer shall be reimbursed by the nonprofit~~  
 26 ~~organization pursuant to section 13c(1) and the benefits paid on~~  
 27 ~~the basis of credit weeks earned with that nonprofit organization~~  
 28 ~~while it was a contributing employer shall be charged to the~~  
 29 ~~experience account of the nonprofit organization pursuant to~~



1 ~~section 20.~~

2 ~~(2) For benefit years established after the conversion date~~  
 3 ~~prescribed in section 75, the benefits~~ **Benefits** paid on the basis  
 4 of base period wages paid by a nonprofit organization while it was  
 5 a reimbursing employer ~~shall~~ **must** be reimbursed by the nonprofit  
 6 organization ~~pursuant to~~ **in accordance with** section 13c(1) and the  
 7 benefits paid on the basis of base period wages paid by that  
 8 nonprofit organization while it was a contributing employer ~~shall~~  
 9 **must** be charged to the experience account of the nonprofit  
 10 organization ~~pursuant to~~ **in accordance with** section 20. Benefits  
 11 paid to an individual and chargeable to the nonprofit organization  
 12 on the basis that the nonprofit organization was the separating  
 13 employer in the claim ~~shall~~ **must** be charged to the experience  
 14 account of the nonprofit organization if it was a contributing  
 15 employer at the time of the separation, or ~~shall~~ **must** be reimbursed  
 16 by the nonprofit organization if it was a reimbursing employer at  
 17 the time of the separation.

18 Sec. 13g. (1) ~~The~~ **This** state, as a reimbursing employer, is  
 19 liable for reimbursement payments in lieu of contributions and  
 20 shall pay to the ~~commission~~ **unemployment insurance agency** an amount  
 21 equal to the full amount of regular benefits plus the amount of  
 22 extended benefits and training benefits paid during any calendar  
 23 quarter that is attributable to service in the employ of ~~the~~ **this**  
 24 state and ~~which is not~~ reimbursable by the federal government. The  
 25 amount ~~which~~ **that** is required to be paid into the fund ~~shall~~ **must**  
 26 be ascertained by the ~~commission~~ **unemployment insurance agency** as  
 27 soon as practicable after the end of each calendar quarter.  
 28 Payments by ~~the~~ **this** state ~~shall~~ **must** be made at the times and **in**  
 29 **the** manner as the ~~commission~~ **unemployment insurance agency**





1 prescribes.

2 (2) The ~~commission~~**unemployment insurance agency** shall  
 3 maintain a separate account in the fund for each department,  
 4 commission, or other budgetary unit of ~~the~~**this** state.  
 5 Reimbursement payments made by ~~the~~**this** state to the unemployment  
 6 fund under this section ~~shall~~**must** be charged to funds available  
 7 for the payment of wages and salaries in each department,  
 8 commission, or other budgetary unit, according to the amount of  
 9 benefits charged to each budgetary unit.

10 (3) ~~The~~**This** state ~~shall continue to be~~**is** liable for  
 11 reimbursement payments in lieu of contributions until it terminates  
 12 its status as a reimbursing employer and elects to become a  
 13 contributing employer. The election ~~shall~~**must** be by concurrent  
 14 resolution of the legislature adopted before the beginning of a  
 15 calendar year ~~for which~~**that** the election is to be effective.

16 (4) If ~~the~~**this** state elects to be a contributing employer, it  
 17 may subsequently elect, by concurrent resolution of the  
 18 legislature, to become a reimbursing employer. The concurrent  
 19 resolution ~~shall~~**must** be adopted before the beginning of a calendar  
 20 year ~~for which~~**that** the election is to be effective. The election  
 21 to ~~be~~**become** a reimbursing employer may not be terminated for the  
 22 calendar year with respect to which the election is made and the  
 23 following calendar year.

24 (5) ~~For benefit years established before the conversion date~~  
 25 ~~prescribed in section 75, benefits paid on the basis of credit~~  
 26 ~~weeks earned with the state while it was a reimbursing employer~~  
 27 ~~shall be reimbursed by the state and benefits paid on the basis of~~  
 28 ~~credit weeks earned with the state while it was a contributing~~  
 29 ~~employer shall be charged to the experience account of the state~~



1 ~~pursuant to section 20. For benefit years established after the~~  
 2 ~~conversion date prescribed in section 75, benefits~~ **Benefits** paid on  
 3 the basis of base period wages paid by ~~the~~ **this** state while it was  
 4 a reimbursing employer ~~shall~~ **must** be reimbursed by ~~the~~ **this** state  
 5 and benefits paid on the basis of base period wages paid by ~~the~~  
 6 **this** state while it was a contributing employer ~~shall~~ **must** be  
 7 charged to the experience account of ~~the~~ **this** state ~~pursuant to in~~  
 8 **accordance with** section 20. Benefits paid to an individual and  
 9 chargeable to ~~the~~ **this** state on the basis that ~~the~~ **this** state was  
 10 the separating employer in the claim for benefits ~~shall~~ **must** be  
 11 charged to the experience account of ~~the~~ **this** state if it was a  
 12 contributing employer at the time of the separation, or ~~shall~~ **must**  
 13 be reimbursed by ~~the~~ **this** state if it was a reimbursing employer at  
 14 the time of the separation.

15 (6) Past due reimbursement payments in lieu of contributions  
 16 ~~shall be~~ **are** subject to the interest, penalty, assessment, and  
 17 collection provisions provided in section 15.

18 Sec. 13i. (1) Except as provided in section 13g, **all of the**  
 19 **following apply to** a governmental entity: ~~which:~~

20 (a) ~~Is, or becomes~~ **A governmental entity** subject to this act  
 21 ~~after December 31, 1974,~~ shall make reimbursement payments in lieu  
 22 of contributions as a reimbursing employer for not less than 2  
 23 calendar years, ~~beginning January 1, 1975,~~ unless it elects to pay  
 24 contributions as a contributing employer pursuant to section 13.

25 (b) ~~Becomes~~ **A governmental entity** subject to this act ~~on or~~  
 26 ~~after January 1, 1975,~~ may elect to become a contributing employer  
 27 beginning with the calendar year ~~which~~ **that** contains the day when  
 28 it becomes subject to this act by filing a written notice of its  
 29 election with the ~~commission~~ **unemployment insurance agency** not



1 later than 30 days after the date of determination that it was  
2 subject to this act.

3 (c) ~~Pays~~ **A governmental entity that pays** contributions under  
4 this act ~~for a period after January 1, 1975,~~ may elect to become a  
5 reimbursing employer by filing a written notice of the election  
6 with the ~~commission~~ **unemployment insurance agency** not later than 30  
7 days before the beginning of a calendar year ~~for which~~ **that** the  
8 election is to be effective. The election may not be terminated for  
9 the calendar year with respect to which the election is made and  
10 the following calendar year.

11 (d) ~~Becomes~~ **A governmental entity that becomes** a reimbursing  
12 employer under subdivision (a) or elects to become a reimbursing  
13 employer in accordance with subdivision (c), ~~shall continue to be~~  
14 **is** liable for reimbursement payments in lieu of contributions until  
15 it files with the ~~commission~~ **unemployment insurance agency** a  
16 written notice terminating its status as a reimbursing employer and  
17 electing to become a contributing employer. The notice may not be  
18 filed later than 30 days before the beginning of the calendar year  
19 when the termination and election is to be effective. After the  
20 effective date of termination, the governmental entity shall be  
21 considered a newly liable employer for the purposes of section  
22 19(a).

23 (2) The ~~commission~~ **unemployment insurance agency** for good  
24 cause may extend for 30 days the period within which a notice of  
25 election ~~shall~~ **must** be filed under this section.

26 (3) The ~~commission,~~ **unemployment insurance agency,** in  
27 accordance with section 14, shall notify a governmental entity of a  
28 determination ~~which is made of~~ **regarding** its status as an employer,  
29 the effective date of an election which it makes and the



1 termination of any prior election. The ~~determinations shall be~~  
 2 **determination is** final unless further proceedings are taken  
 3 ~~pursuant to~~ **under** section 32a.

4 Sec. 13k. (1) Except as provided in section 13g, a  
 5 governmental entity ~~which is~~ liable for reimbursement payments in  
 6 lieu of contributions shall pay to the ~~commission~~ **unemployment**  
 7 **insurance agency** an amount equal to the full amount of regular  
 8 benefits plus the amount of extended benefits and training benefits  
 9 paid during a calendar quarter that are attributable to service in  
 10 the employ of the organization and ~~which that~~ are not reimbursable  
 11 by the federal government.

12 (2) The amount required to be paid by a governmental entity  
 13 ~~shall~~ **must** be ascertained by the ~~commission~~ **unemployment insurance**  
 14 **agency** as soon as practicable after the end of each calendar  
 15 quarter and a statement of charges ~~shall~~ **must** be mailed to each  
 16 entity. A governmental entity shall reimburse the fund ~~within~~ **not**  
 17 **more than** 30 days after the start of the next fiscal year of the  
 18 governmental entity following the calendar year for which the  
 19 governmental entity is to be charged.

20 (3) Past due reimbursement payments in lieu of contributions  
 21 ~~shall be~~ **are** subject to the interest, penalty, assessment, and  
 22 collection provisions provided in section 15.

23 (4) A school district or community college district ~~which is~~  
 24 liable for contributions for a calendar year shall pay the  
 25 contributions ~~within~~ **not more than** 30 days after the start of its  
 26 next fiscal year after that calendar year.

27 (5) A governmental entity, other than ~~the~~ **this** state or a  
 28 school district or community college district ~~which is~~ liable for  
 29 contributions shall pay the contributions due as required ~~by~~ **under**



1 section 13.

2 (6) If a governmental entity other than ~~the~~**this** state is  
 3 delinquent for 2 consecutive calendar years in making reimbursement  
 4 payments in lieu of contributions, the ~~commission~~**unemployment**  
 5 **insurance agency** may terminate the employer's election to make  
 6 reimbursement payments in lieu of contributions as of the beginning  
 7 of the next calendar year, which termination ~~shall be~~**is** effective  
 8 for that **calendar year** and the next calendar year.

9 (7) ~~For benefit years established before the conversion date~~  
 10 ~~prescribed in section 75, benefits paid on the basis of credit~~  
 11 ~~weeks earned with a governmental entity while it was a reimbursing~~  
 12 ~~employer shall be reimbursed by the employer pursuant to~~  
 13 ~~subsections (1), (2), and (3), and the benefits paid on the basis~~  
 14 ~~of credit weeks earned with a governmental entity while it was a~~  
 15 ~~contributing employer shall be charged to the experience account of~~  
 16 ~~the employer pursuant to section 20. For benefit years established~~  
 17 ~~after the conversion date prescribed in section 75, benefits~~  
 18 **Benefits** paid on the basis of base period wages paid by a  
 19 governmental entity while it was a reimbursing employer ~~shall~~**must**  
 20 be reimbursed by the employer pursuant to subsections (1), (2), and  
 21 (3), and benefits paid on the basis of base period wages paid by a  
 22 governmental entity while it was a contributing employer ~~shall~~**must**  
 23 be charged to the experience account of the employer ~~pursuant to~~**in**  
 24 **accordance with** section 20. Benefits paid to an individual and  
 25 chargeable to the governmental entity on the basis that the  
 26 governmental entity was the separating employer in the claim ~~shall~~  
 27 **must** be charged to the experience account of the governmental  
 28 entity if it was a contributing employer at the time of the  
 29 separation, or ~~shall~~**must** be reimbursed by the governmental entity



1 if it was a reimbursing employer at the time of the separation.

2       Sec. 13~~l~~. (1) An Indian tribe or tribal unit liable as an  
3 employer under section 41 shall pay reimbursements in lieu of  
4 contributions under the same terms and conditions as all other  
5 reimbursing employers liable under section 41, unless the Indian  
6 tribe or tribal unit elects to pay contributions.

7       (2) An Indian tribe or tribal unit that elects to make  
8 contributions shall file with the unemployment **insurance** agency a  
9 written request for that election before January 1 of the calendar  
10 year in which the election will be effective. ~~or within 30 days of~~  
11 ~~the effective date of the amendatory act that added this section.~~  
12 The Indian tribe or tribal unit shall determine if the election to  
13 pay contributions will apply to the tribe as a whole, will apply  
14 only to individual tribal units, or will apply to stated  
15 combinations of individual tribal units.

16       (3) An Indian tribe or tribal unit paying reimbursements in  
17 lieu of contributions ~~shall~~**must** be billed for the full amount of  
18 benefits attributable to service in the employ of the Indian tribe  
19 or tribal unit. An Indian tribe or tribal unit shall reimburse the  
20 fund annually ~~within~~**not more than** 30 calendar days after the  
21 mailing of the final billing for the immediately preceding calendar  
22 year.

23       (4) If an Indian tribe or tribal unit ~~fails to~~**does not** make  
24 payments in lieu of contributions, including assessments of  
25 interest and penalties, ~~within~~**not more than** 90 calendar days after  
26 the mailing of the notice of delinquency, the Indian tribe will  
27 lose the ability to make payments in lieu of contributions  
28 immediately unless the payment in full or collection on the  
29 security is received by the unemployment **insurance** agency by



1 December 1 of that calendar year. An Indian tribe that loses the  
 2 ability to make payments in lieu of contributions ~~shall~~**must** be  
 3 made a contributing employer and shall not ~~have the ability to make~~  
 4 payments in lieu of contributions until all contributions, payments  
 5 in lieu of contributions, interest, or penalties have been paid.  
 6 The ability to make payments in lieu of contributions ~~shall~~**must** be  
 7 reinstated effective the January 1 immediately succeeding the year  
 8 in which the Indian tribe has paid in full all contributions,  
 9 payments in lieu of contributions, interest, and penalties. If an  
 10 Indian tribe ~~fails to~~**does not** pay in full all contributions,  
 11 payments in lieu of contributions, interest, and penalties ~~within~~  
 12 **not more than** 90 calendar days ~~of~~**after** a notice of delinquency,  
 13 the unemployment **insurance** agency shall immediately notify the  
 14 United States ~~department~~**Department** of ~~labor~~**Labor** and the ~~internal~~  
 15 ~~revenue service~~**Internal Revenue Service** of the United States  
 16 ~~department~~**Department** of ~~treasury~~**Treasury** of that delinquency. If  
 17 that delinquency is satisfied, the unemployment **insurance** agency  
 18 shall immediately notify the United States ~~department~~**Department** of  
 19 ~~labor~~**Labor** and the ~~internal revenue service~~**Internal Revenue**  
 20 **Service** of the United States ~~department~~**Department** of ~~treasury~~  
 21 **Treasury** that all contributions, payments in lieu of contributions,  
 22 interest, and penalties have been paid.

23 (5) A notice of delinquency to an Indian tribe or tribal unit  
 24 ~~shall~~**must** include information that failure to make full payment  
 25 ~~within~~**not more than** 90 days ~~of~~**after** the date of mailing of the  
 26 notice of delinquency will result in the Indian tribe losing the  
 27 ability to make payments in lieu of contributions until the  
 28 delinquency and all contributions, payments in lieu of  
 29 contributions, interest, and penalties have been paid in full.



1 (6) Any Indian tribe or tribal unit that makes reimbursement  
2 payments in lieu of contributions ~~shall be~~ **is** required to post a  
3 security, subject to all of the following conditions:

4 (a) A reimbursing tribe or tribal unit ~~must either~~ **shall** post  
5 the security ~~within 30 days of the effective date of the amendatory~~  
6 ~~act that added this section or~~ by November 30 of the year before  
7 the year for which the security is required.

8 (b) The security ~~shall~~ **must** be in the form of a surety bond,  
9 irrevocable letter of credit, or other banking device that is  
10 acceptable to the unemployment **insurance** agency and that provides  
11 for payment to the unemployment **insurance** agency, on demand, of an  
12 amount equal to the security that is required to be posted. The  
13 required security may be posted by a third-party guarantor.

14 (c) The requirement for a security does not apply to an Indian  
15 tribe or tribal unit that is expected to have less than \$100,000.00  
16 per calendar year in total wage payments, as determined by the  
17 unemployment **insurance** agency. An Indian tribe or tribal unit is  
18 required to provide security if the payment of gross wages in a  
19 calendar year is equal to or greater than \$100,000.00. The employer  
20 shall notify the unemployment **insurance** agency ~~within~~ **not more than**  
21 60 days ~~from~~ **after** the date its payroll equals or exceeds  
22 \$100,000.00. The security ~~shall~~ **must** be posted ~~within~~ **not more than**  
23 30 days ~~of~~ **after** notice by the unemployment **insurance** agency of a  
24 requirement to post a security.

25 (d) The amount of the security required is 4.0% of the  
26 employer's estimated total annual wage payments, as determined by  
27 the unemployment **insurance** agency. Indian tribes or tribal units  
28 that have a previous wage payment history ~~shall be~~ **are** required to  
29 file a security that is equal to 4.0% of the gross wages paid for





1 the 12-month period ending June 30 of the year immediately  
 2 preceding the year for which the security is required or 4.0% of  
 3 the employer's estimated total annual wages, whichever is greater.

4 (7) Any Indian tribe or tribal unit that is liable for  
 5 reimbursements in lieu of contributions may form a group account  
 6 with another tribe or tribal unit, in the same manner and with the  
 7 same restrictions provided in section 13e(3).

8 (8) Notwithstanding section 41(1), ~~after December 20, 2000,~~  
 9 "employer" includes an Indian tribe or tribal unit for which  
 10 services are performed in employment as defined in subsection (9).

11 (9) ~~After December 20, 2000, "employment"~~ **"Employment"**  
 12 includes service performed in the employ of an Indian tribe or  
 13 tribal unit, if the service is excluded from employment as that  
 14 term is defined in the federal unemployment tax act, chapter 23 of  
 15 subtitle C of the internal revenue code of 1986, 26 ~~U.S.C.~~ **USC** 3301  
 16 to 3311, solely by reason of section 3306(c)(7) of the federal  
 17 unemployment tax act, chapter 23 of subtitle C of the internal  
 18 revenue code of 1986, **26 USC 3306**, and is not otherwise excluded  
 19 from the definition of employment under section 43.

20 (10) As used in this act:

21 (a) "Indian tribe" means that term as defined in section  
 22 3306(u) of the federal unemployment tax act, chapter 23 of subtitle  
 23 C of the internal revenue code of 1986, 26 ~~U.S.C.~~ **USC** 3306.

24 (b) "Tribal unit" includes any subdivision, subsidiary, or  
 25 business enterprise, wholly owned by an Indian tribe.

26 Sec. 13m. (1) A professional employer organization that has  
 27 not previously filed shall file a report with the **unemployment**  
 28 **insurance** agency in accordance with R 421.121 and R 421.190 of the  
 29 Michigan ~~administrative code~~ **Administrative Code** for a



1 determination of its status as a liable employing unit and employer  
 2 under this act. A PEO determined to be a liable employer shall  
 3 complete an electronic employer registration in the manner approved  
 4 by the **unemployment insurance** agency to register its employer  
 5 liability.

6 (2) Except as provided in subdivision (b), a PEO that is a  
 7 liable employer shall use the following method for reporting wages  
 8 and paying unemployment contributions under this act:

9 (a) The PEO shall comply with all requirements of this act  
 10 that apply to a contributing employer. The PEO shall file a single  
 11 quarterly wage report and unemployment contribution report and pay  
 12 contributions of its client employers based on the account  
 13 information of each client employer. The unemployment **insurance**  
 14 agency shall convert a reimbursing employer to a contributing  
 15 employer beginning with the calendar quarter in which the employer  
 16 becomes a client employer of a PEO. The PEO shall file reports  
 17 required under R 421.121 of the Michigan ~~administrative code~~  
 18 **Administrative Code** and make contribution payments by electronic  
 19 reporting and payment methods approved by the agency. The PEO shall  
 20 notify the **unemployment insurance** agency ~~within not more than 30~~  
 21 **more than 30** days after any employer becomes its client employer and ~~within not~~  
 22 **more than 30** days after any client employer discontinues its  
 23 association with the PEO. All of the following apply to a rate  
 24 calculation for client employers of the PEO:

25 (i) For a client employer that is a contributing employer and  
 26 was a client employer of the PEO on the date that the PEO changed  
 27 to the reporting method provided in this subdivision, the following  
 28 rates apply:

29 (A) Except as provided in sub-subparagraphs (B) and (C), if



1 the client employer reported no employees or no payroll to the  
 2 **unemployment insurance** agency ~~for 8 or more calendar quarters or,~~  
 3 ~~beginning January 1, 2014,~~ for 12 or more calendar quarters, the  
 4 client employer's unemployment tax rate will be the new employer  
 5 tax rate.

6 (B) If the client employer was a client employer of the PEO  
 7 ~~for less than 8 calendar quarters or, beginning January 1, 2014,~~  
 8 for less than 12 calendar quarters, the client employer's  
 9 unemployment tax rate will be based on the client employer's prior  
 10 account and experience.

11 (C) If the client employer's account has been terminated for  
 12 more than 1 year or if the client employer never previously  
 13 registered with the **unemployment insurance** agency, the client shall  
 14 be separately registered using a method approved by the  
 15 **unemployment insurance** agency ~~within~~ **not more than** 30 days after  
 16 the employer becomes a client employer of the PEO. The client  
 17 employer shall be assigned the new employer unemployment tax rate.

18 (ii) A business entity that is a contributing employer and  
 19 becomes a client employer of the PEO ~~on or after January 1, 2014~~  
 20 shall retain its existing unemployment tax rate or establish a new  
 21 rate as provided in section 19.

22 (b) A PEO that is a liable employer and that was operating in  
 23 this state before January 1, 2011 ~~may elect and use the reporting~~  
 24 ~~method in subdivision (a) before January 1, 2014, but shall report~~  
 25 using the method in subdivision (a). ~~on and after January 1, 2014.~~

26 (3) A PEO that is a liable employer is the employer for  
 27 purposes of claims management and hearings under this act on behalf  
 28 of the client employer.

29 (4) A PEO that reports under subsection (2)(a) shall confirm



1 the mailing address of the client employer, which may be stated as  
 2 that of the PEO or of the client employer. The PEO shall disclose  
 3 the business address of the client employer, which ~~shall be~~ **is** the  
 4 physical address of the client employer, to the agency.

5 (5) Either the PEO that reports under subsection (2) (a) or the  
 6 PEO's client employers, but not both, shall file a quarterly wage  
 7 detail report electronically, and shall file a quarterly  
 8 contribution payment in a manner approved by the **unemployment**  
 9 **insurance** agency. If a client entity of a PEO leases some of its  
 10 employees from the PEO but retains the remainder of its employees,  
 11 the leased employees ~~shall~~ **must** be reported by the PEO under the  
 12 client entity's unemployment insurance agency account number and  
 13 the retained employees ~~shall~~ **must** be reported by the client entity  
 14 under an agency-assigned subaccount number of the client entity's  
 15 account number.

16 (6) The **unemployment insurance** agency shall issue a FUTA  
 17 certification in accordance with the internal revenue code of 1986,  
 18 26 USC 1 to 9834, and regulations, rulings, instructions, and  
 19 directives of the ~~internal revenue service~~ **Internal Revenue Service**  
 20 **of the United States Department of Treasury**.

21 (7) The requirements of this section do not preclude the  
 22 agency from enforcing any provision of this act based on any act or  
 23 omission by a PEO that occurred before January 1, 2011.

24 (8) As used in this section, "professional employer  
 25 organization" or "PEO" means that term as defined in R  
 26 421.190(1) (d) of the Michigan ~~administrative code~~ **Administrative**  
 27 **Code**.

28 Sec. 14. **(1)** The ~~commission~~ **unemployment insurance agency**,  
 29 after affording reasonable opportunity for ~~the submission of~~



1 **submitting** relevant information in writing or in person, may make  
 2 determinations with respect to whether an employing unit  
 3 constitutes an employer and whether services performed for or in  
 4 connection with the business of an employing unit constitute  
 5 employment for that employing unit subject to this act. The  
 6 employing unit, or other interested parties, which may include an  
 7 individual who is or was employed by that employing unit, on ~~his or~~  
 8 ~~her~~ **the individual's** request, ~~shall~~ **must** be promptly notified of  
 9 the determination and the reasons for the determination. The  
 10 determination ~~shall be~~ **is** final as to those parties unless the  
 11 employing unit or other interested parties ~~files~~ **file** an  
 12 application for a review and redetermination in accordance with  
 13 section 32a or, ~~within~~ **not more than** 30 days after the mailing or  
 14 personal service of the notice of determination, ~~pays~~ **pay** under  
 15 protest the amount charged or found to be due as contributions. If  
 16 evidence is presented indicating that an employing unit ~~which~~ **that**  
 17 has been determined not to be an employer is or was actually an  
 18 employer, or that services ~~which~~ **that** have been held not to  
 19 constitute employment are or were actually employment, the previous  
 20 determination ~~shall~~ **must** be reopened and reconsidered by the  
 21 ~~commission~~ **unemployment insurance agency** in accordance with section  
 22 32a and a redetermination made as the facts and law require; but in  
 23 the absence of fraud, if the employing unit is finally found to  
 24 constitute an employer or to be liable for contributions with  
 25 respect to services previously held nonsubject, contributions with  
 26 respect to those services ~~shall~~ **are** not ~~be~~ collectible for any  
 27 period before the first day of the last completed calendar year  
 28 preceding the reopening of the determination. In the absence of  
 29 fraud, an individual, legal entity, or employing unit ~~shall~~ **must**



1 not be retroactively determined to be an employer for any period  
 2 before the 3 calendar years preceding the issuance of the  
 3 determination.

4 (2) A determination or redetermination of the ~~commission,~~  
 5 **unemployment insurance agency**, or a decision of a referee or the  
 6 appeal board, or of the courts of this state, which has become  
 7 final, together with the record thereof, may be introduced in any  
 8 proceeding involving a claim for benefits and the facts ~~therein~~  
 9 found and the determination, redetermination, or decision ~~therein~~  
 10 made ~~shall be~~ **are** conclusive unless substantial evidence to the  
 11 contrary is introduced by or on behalf of the claimant.

12 Sec. 15. (a) Contributions unpaid on the date ~~on which they~~  
 13 **that the contributions** are due and payable, as prescribed by the  
 14 unemployment **insurance** agency, and unpaid restitution of benefit  
 15 overpayments, except as otherwise provided under this subsection,  
 16 bear interest at the rate of 1% per month, computed on a day-to-day  
 17 basis for each day the delinquency is unpaid, from and after that  
 18 date until payment plus accrued interest is received by the  
 19 unemployment **insurance** agency. The interest on unpaid contributions  
 20 and on unpaid restitution of benefit overpayments, exclusive of  
 21 penalties, must not exceed 50% of the amount of contributions due  
 22 at due date or 50% of the amount of restitution owing. ~~Nothing in~~  
 23 ~~this act authorizes~~ **This act does not authorize** the assessment or  
 24 collection of interest on a penalty imposed under this act.  
 25 Interest collected under this section must be paid into the  
 26 contingent fund. Penalties collected under this section must be  
 27 credited ~~pursuant to~~ **in accordance with** section 54(k). With regard  
 28 to contribution payments, the unemployment **insurance** agency may  
 29 cancel any interest and any penalty when it is shown that the



1 failure to pay on or before the last day on which the tax could  
 2 have been paid without interest and penalty was not the result of  
 3 negligence, intentional disregard of the rules of the unemployment  
 4 **insurance** agency, or fraud. All of the following apply to interest  
 5 on unpaid restitution of benefit overpayments:

6 (1) Except as provided in subdivisions (2) and (3), interest  
 7 begins accruing 1 year after the date the unemployment **insurance**  
 8 agency's determination or redetermination or an administrative law  
 9 judge's, the ~~Michigan compensation appellate commission's,~~  
 10 **unemployment insurance appeals commission's**, or a court's order  
 11 that a claimant owes restitution is final.

12 (2) The unemployment **insurance** agency shall not assess  
 13 interest for improperly paid benefits that were the result of an  
 14 administrative or clerical error made by the unemployment **insurance**  
 15 agency. Interest assessed for improperly paid benefits that is  
 16 later determined to have been the result of an administrative or  
 17 clerical error made by the unemployment **insurance** agency must be  
 18 waived, and any payment made by a claimant for such interest must  
 19 be refunded.

20 (3) If the unemployment **insurance** agency determines or  
 21 redetermines or an administrative law judge, the ~~Michigan~~  
 22 ~~compensation appellate~~ **unemployment insurance appeals** commission,  
 23 or a court orders that a claimant made an intentional false  
 24 statement, misrepresentation, or concealed material information to  
 25 obtain or increase benefits, interest begins accruing on the date  
 26 the unemployment **insurance** agency's determination or  
 27 redetermination or the order is final.

28 (b) The unemployment **insurance** agency may make assessments  
 29 against an employer, claimant, employee of the unemployment



1 **insurance** agency, or third party who fails to pay contributions,  
 2 restitution of benefit overpayments, reimbursement payments in lieu  
 3 of contributions, penalties, forfeitures, or interest as required  
 4 by this act. The unemployment **insurance** agency shall immediately  
 5 notify the employer, claimant, employee of the unemployment  
 6 **insurance** agency, or third party of the assessment in writing by  
 7 first-class mail. The unemployment **insurance** agency shall not make  
 8 an assessment against a claimant, an employee of the unemployment  
 9 **insurance** agency, or a third party under this subsection unless the  
 10 assessment is for a penalty for a violation of section 54(a) or (b)  
 11 or sections 54a to 54c. An assessment made under this subsection is  
 12 a final determination unless the employer, claimant, employee of  
 13 the unemployment **insurance** agency, or third party files with the  
 14 unemployment **insurance** agency an application for a redetermination  
 15 of the assessment ~~pursuant to~~ **in accordance with** section 32a. A  
 16 review by the unemployment **insurance** agency or an appeal to an  
 17 administrative law judge or the ~~Michigan compensation appellate~~  
 18 **unemployment insurance appeals** commission on the assessment does  
 19 not reopen a question concerning an employer's liability for  
 20 contributions or reimbursement payments in lieu of contributions or  
 21 a claimant's entitlement to benefits, unless the claimant or  
 22 employer was not a party to the proceeding or decision where the  
 23 basis for the assessment was determined. An employer may pay an  
 24 assessment under protest and file an action to recover the amount  
 25 paid as provided under subsection (d). If an assessment is not paid  
 26 ~~within~~ **not more than** 15 days after it becomes final, the  
 27 unemployment **insurance** agency may issue a warrant under its  
 28 official seal for the collection of the assessed amount. The  
 29 unemployment **insurance** agency, through its authorized employees and





1 under a warrant issued, may place a lien on any bank account of a  
2 claimant or employer and may levy upon and sell the property of an  
3 employer that is used in connection with the employer's business,  
4 or that is subject to a notice to withhold, found within this  
5 state, for the payment of the amount of the contributions including  
6 penalties, interests, and the cost of executing the warrant.  
7 Property of the employer used in connection with the employer's  
8 business is not exempt from levy under the warrant. Wages subject  
9 to a notice to withhold are exempt to the extent the wages are  
10 exempt from garnishment under the laws of this state. The warrant  
11 must be returned to the unemployment **insurance** agency together with  
12 the money collected under the warrant within the time specified in  
13 the warrant which must not be less than 20 or more than 90 days  
14 after the date of the warrant. The unemployment **insurance** agency  
15 shall proceed upon the warrant as prescribed by law in respect to  
16 executions issued against property upon judgments by a court of  
17 record. This state, through the unemployment **insurance** agency or  
18 some other officer or agent designated by it, may bid for and  
19 purchase property sold under this subsection. If an employer,  
20 claimant, employee of the unemployment **insurance** agency, or third  
21 party is delinquent in the payment of a contribution, reimbursement  
22 payment in lieu of contribution, penalty, forfeiture, or interest  
23 provided for in this act, the unemployment **insurance** agency may  
24 give notice of the amount of the delinquency served either  
25 personally or by mail, to a person or legal entity, including this  
26 state and its subdivisions, that has in its possession or under its  
27 control a credit or other intangible property belonging to the  
28 employer, claimant, employee of the unemployment **insurance** agency,  
29 or third party, or who owes a debt to the employer, claimant,



1 employee of the unemployment **insurance** agency, or third party at  
2 the time of the receipt of the notice. A person or legal entity  
3 that is notified shall not transfer or dispose of the credit, other  
4 intangible property, or debt without retaining an amount sufficient  
5 to pay the amount specified in the notice unless the unemployment  
6 **insurance** agency consents to a transfer or disposition or 45 days  
7 have elapsed from the receipt of the notice. A person or legal  
8 entity that is notified shall advise the unemployment **insurance**  
9 agency ~~within~~ **not more than** 5 days after receipt of the notice of a  
10 credit, other intangible property, or debt, that is in its  
11 possession, under its control, or owed by it. A person or legal  
12 entity that is notified and that transfers or disposes of credits  
13 or personal property in violation of this section is liable to the  
14 unemployment **insurance** agency for the value of the property or the  
15 amount of the debts thus transferred or paid, but not more than the  
16 amount specified in the notice. An amount due a delinquent  
17 employer, claimant, employee of the unemployment **insurance** agency,  
18 or third party subject to a notice to withhold must be paid to the  
19 unemployment **insurance** agency upon service upon the debtor of a  
20 warrant issued under this section.

21 (c) In addition to the mode of collection provided in  
22 subsection (b), if, after proper notice, an employer defaults in  
23 payment of contributions or interest on the contributions, or a  
24 claimant, employee of the unemployment **insurance** agency, or third  
25 party defaults in the payment of a penalty, the unemployment  
26 **insurance** agency may bring an action at law in a court of competent  
27 jurisdiction to collect and recover the amount of a contribution,  
28 and any interest on the contribution, or the penalty, and in  
29 addition 10% of the amount of contributions or penalties found to



1 be due, as damages. An employer, claimant, employee of the  
 2 unemployment **insurance** agency, or third party adjudged in default  
 3 shall pay costs of the action. The unemployment **insurance** agency  
 4 shall not bring an action against a claimant, employee of the  
 5 unemployment **insurance** agency, or third party under this subsection  
 6 unless the action is brought only to recover penalties for  
 7 violations of section 54(a) or (b) or sections 54a to 54c. A court  
 8 shall hear civil actions brought under this section at the earliest  
 9 possible date. If a judgment is obtained against an employer for  
 10 contributions and an execution on that judgment is returned  
 11 unsatisfied, a court may enjoin the employer from operating and  
 12 doing business in this state until the judgment is satisfied. The  
 13 circuit court of the county in which the judgment is docketed, or  
 14 the Ingham County circuit court, may grant an injunction upon the  
 15 petition of the unemployment **insurance** agency. A copy of the  
 16 petition for injunction and a notice of when and where the court  
 17 shall act on the petition must be served on the employer ~~at least~~  
 18 **not less than** 21 days before the court may grant the injunction.

19 (d) An employer or employing unit improperly charged or  
 20 assessed contributions provided for under this act, or a claimant,  
 21 employee of the unemployment **insurance** agency, or third party  
 22 improperly assessed a penalty under this act and who paid the  
 23 contributions or penalty under protest ~~within~~**not more than** 30 days  
 24 after the mailing of the notice of determination of assessment, may  
 25 recover the amount improperly collected or paid, together with  
 26 interest, in any proper action against the unemployment **insurance**  
 27 agency. The circuit court of the county in which the employer or  
 28 employing unit or claimant, employee of the unemployment **insurance**  
 29 agency, or third party resides, or, in the case of an employer or



1 employing unit, in which the principal office or place of business  
2 of the employer or employing unit is located, has original  
3 jurisdiction of an action to recover contributions improperly paid  
4 or collected or a penalty improperly assessed whether or not the  
5 charge or assessment has been reviewed by the unemployment  
6 **insurance** agency or heard or reviewed by an administrative law  
7 judge or the ~~Michigan compensation appellate~~ **unemployment insurance**  
8 **appeals** commission. The court does not have jurisdiction of the  
9 action unless written notice of the claim is given to the  
10 unemployment **insurance** agency ~~at least~~ **not less than** 30 days before  
11 the institution of the action. In an action to recover  
12 contributions paid or collected or penalties assessed, the court  
13 shall allow costs it considers proper. Either party to the action  
14 has the same right of appeal as provided by law in other civil  
15 actions. A claimant, employee of the unemployment **insurance** agency,  
16 or third party shall not bring an action against the unemployment  
17 **insurance** agency under this subsection unless it is brought only to  
18 recover penalties and interest on those penalties improperly  
19 assessed by the unemployment **insurance** agency under section 54(a)  
20 or (b) or sections 54a to 54c. If a final judgment is rendered in  
21 favor of the plaintiff in an action to recover the amount of  
22 contributions illegally collected or charged, the treasurer of the  
23 unemployment **insurance** agency, upon receipt of a certified copy of  
24 the final judgment, shall pay the amount of contributions illegally  
25 collected or charged or penalties assessed from the clearing  
26 account, and pay interest as allowed by the court, in an amount not  
27 to exceed the actual earnings of the contributions as found to have  
28 been illegally collected or charged, from the contingent fund.  
29 (e) Except for liens and encumbrances recorded before the



1 filing of the notice provided for in this section, all  
2 contributions, interest, and penalties payable under this act to  
3 the unemployment **insurance** agency from an employer, claimant,  
4 employee of the unemployment **insurance** agency, or third party that  
5 neglects to pay the same when due are a first and prior lien upon  
6 all property and rights to property, real and personal, belonging  
7 to the employer, claimant, employee of the unemployment **insurance**  
8 agency, or third party. The lien continues until the liability for  
9 that amount or a judgment arising out of the liability is satisfied  
10 or becomes unenforceable by reason of lapse of time. The lien  
11 attaches to the property and rights to property of the employer,  
12 claimant, employee of the unemployment **insurance** agency, or third  
13 party, whether real or personal, from and after the required filing  
14 date of the report upon which the specific tax is computed. Notice  
15 of the lien must be recorded in the office of the register of deeds  
16 of the county in which the property subject to the lien is  
17 situated, and the register of deeds shall accept the notice for  
18 recording. Notice of the lien may also be filed with the secretary  
19 of state pursuant to the state tax lien registration act, 1968 PA  
20 203, MCL 211.681 to 211.687. This subsection applies only to  
21 penalties and interest on those penalties assessed by the  
22 unemployment **insurance** agency against a claimant, employee of the  
23 unemployment **insurance** agency, or third party for violations of  
24 section 54(a) or (b) or sections 54a to 54c.

25 If there is a distribution of an employer's assets pursuant to  
26 an order of a court under the laws of this state, including a  
27 receivership, assignment for benefit of creditors, adjudicated  
28 insolvency, composition, or similar proceedings, contributions then  
29 or thereafter due must be paid in full before all other claims



1 except for wages and compensation under the worker's disability  
 2 compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941. In  
 3 the distribution of estates of decedents, claims for funeral  
 4 expenses and expenses of last sickness are also entitled to  
 5 priority.

6 (f) A court shall not issue an injunction to stay proceedings  
 7 for the assessment or collection of a contribution, or interest or  
 8 penalty on a contribution, levied and required by this act.

9 (g) A person or employing unit that acquires the organization,  
 10 trade, business, or 75% or more of the assets from an employing  
 11 unit, as a successor described in section 41(2), is liable for  
 12 contributions and interest due to the unemployment **insurance** agency  
 13 from the transferor at the time of the acquisition in an amount not  
 14 to exceed the reasonable value of the organization, trade,  
 15 business, or assets acquired, less the amount of a secured interest  
 16 in the assets owned by the transferee that are entitled to  
 17 priority. If a transferor or transferee who has, not less than 10  
 18 days before the acquisition, requested from the unemployment  
 19 **insurance** agency in writing a statement certifying the status of  
 20 contribution liability of the transferor, the unemployment  
 21 **insurance** agency shall provide the transferor or transferee with  
 22 that statement and the transferee is not liable for any amount due  
 23 from the transferor in excess of the amount of liability computed  
 24 as prescribed in this subsection and certified by the unemployment  
 25 **insurance** agency. ~~At least~~ **Not less than** 2 calendar days not  
 26 including a Saturday, Sunday, or legal holiday before the  
 27 acceptance of an offer, the transferor, or the transferor's real  
 28 estate broker or other agent representing the transferor, shall  
 29 disclose to the transferee on a form provided by the unemployment



1 **insurance** agency the amounts of the transferor's outstanding  
 2 unemployment tax liability, unreported unemployment tax liability,  
 3 and the tax payments, tax rates, and cumulative benefit charges for  
 4 the most recent 5 years; a listing of all individuals currently  
 5 employed by the transferor; and a listing of all employees  
 6 separated from employment with the transferor in the most recent 12  
 7 months. The form must specify any other information the  
 8 unemployment **insurance** agency determines is required for a  
 9 transferee to estimate future unemployment compensation costs based  
 10 on the transferor's benefit charge and unemployment tax reporting  
 11 and payment experience. ~~Failure of~~ **If** the transferor, or the  
 12 transferor's real estate broker or other agent representing the  
 13 transferor, ~~to~~ **does not** provide accurate information required by  
 14 this subsection, **the transferor, or the transferor's real estate**  
 15 **broker or other agent representing the transferor, is guilty of** a  
 16 misdemeanor punishable by imprisonment for not more than 90 days,  
 17 or a fine of not more than \$2,500.00, or both. In addition, the  
 18 transferor, or the transferor's real estate broker or other agent  
 19 representing the transferor, is liable to the transferee for any  
 20 consequential damages resulting from the ~~failure to comply with~~  
 21 **violation of** this subsection. However, the real estate broker or  
 22 other agent is not liable for consequential damages if ~~he or she~~  
 23 **the real estate broker or other agent** exercised good faith in  
 24 compliance with the disclosure of information. The remedy provided  
 25 the transferee is not exclusive, and does not reduce any other  
 26 right or remedy against any party provided for in this or any other  
 27 act. ~~Nothing in this subsection decreases~~ **This subsection does not**  
 28 **decrease** the liability of the transferee as a successor in  
 29 interest, or ~~prevents~~ **prevent** the transfer of a rating account



1 balance as provided in this act. The remedies under this subsection  
 2 are in addition to the remedies the unemployment **insurance** agency  
 3 has against the transferor.

4 (h) If a part of a deficiency in payment of the employer's  
 5 contribution to the fund is due to negligence or intentional  
 6 disregard of unemployment **insurance** agency rules, but without  
 7 intention to defraud, 5% of the total amount of the deficiency, in  
 8 addition to the deficiency and all other interest charges and  
 9 penalties provided herein, must be assessed, collected, and paid in  
 10 the same manner as a deficiency. If a part of a deficiency is  
 11 determined in an action at law to be the result of fraud with  
 12 intent to avoid payment of contributions to the fund, then the  
 13 judgment rendered must include an amount equal to 50% of the total  
 14 amount of the deficiency, in addition to the deficiency and all  
 15 other interest charges and penalties provided herein.

16 (i) If an employing unit fails to make a report as reasonably  
 17 required by the rules of the unemployment **insurance** agency pursuant  
 18 ~~to~~ **under** this act, the unemployment **insurance** agency may estimate  
 19 the liability of that employing unit from information it obtains  
 20 and, according to that estimate, assess the employing unit for the  
 21 contributions, penalties, and interest due. The unemployment  
 22 **insurance** agency may act under this subsection only after a default  
 23 continues for 30 days and after the unemployment **insurance** agency  
 24 has determined that the default of the employing unit is willful.

25 (j) An assessment or penalty with respect to contributions  
 26 unpaid is not effective for any period before the 3 calendar years  
 27 preceding the date of the assessment.

28 (k) The rights respecting the collection of contributions and  
 29 the levy of interest and penalties and damages made available to





1 the unemployment **insurance** agency by this section are additional to  
 2 other powers and rights vested in the unemployment **insurance** agency  
 3 under ~~other provisions of~~ this act. The unemployment **insurance**  
 4 agency may exercise any of the collection remedies under this act  
 5 even though an application for a redetermination or an appeal is  
 6 pending final disposition.

7 (l) A person recording a lien or a discharge of a lien under  
 8 this section shall pay to the register of deeds a recording fee  
 9 that is equivalent to the fee for entering and recording a mortgage  
 10 as authorized under section 2567 of the revised judicature act of  
 11 1961, 1961 PA 236, MCL 600.2567.

12 (m) In addition to the restitution recoupment methods in  
 13 section 62, the unemployment **insurance** agency may obtain  
 14 restitution due from a claimant as a result of a benefit  
 15 overpayment that has become final by any of the following methods:

16 (1) Levy of a bank account belonging to the claimant.

17 (2) Entry into a wage assignment with the claimant.

18 (3) Issuing an administrative garnishment of the wages of the  
 19 claimant.

20 (n) To obtain an administrative garnishment, the unemployment  
 21 **insurance** agency must notify the claimant of its intention to issue  
 22 an administrative garnishment on the claimant's employer and the  
 23 amount determined to be due from the claimant. The notice must  
 24 include a demand for immediate payment of the amount due, a  
 25 statement that it is not subject to appeal, and a statement that  
 26 the claimant may, ~~within~~ **not more than** 30 days ~~of~~ **after** the  
 27 issuance of the notice, object to the garnishment by providing  
 28 information to the agency, with supporting documentation, that the  
 29 claimant does not owe the stated amount of restitution. Not less



1 than 30 days after issuing the notice to the claimant, the  
 2 unemployment **insurance** agency shall notify the claimant's employer  
 3 to withhold from earnings due or to become due from the claimant  
 4 the amount shown on the notice plus accrued interest. The employer  
 5 shall comply with the notice to withhold and shall continue to  
 6 withhold each pay period the amount shown on the notice plus  
 7 accrued interest until the garnishment amount plus accrued interest  
 8 has been satisfied and the notice is released by the unemployment  
 9 **insurance** agency. The unemployment **insurance** agency's  
 10 administrative garnishment has priority over any subsequent  
 11 garnishment or wage assignment. The amount subject to garnishment  
 12 for any pay period must be decreased by any other irrevocable and  
 13 previously effective assignment of wages or other garnishment  
 14 action served on the employer before service of the **unemployment**  
 15 **insurance** agency's garnishment notice. The amount of the  
 16 unemployment **insurance** agency's garnishment must not exceed 25% of  
 17 the balance. In response to the administrative garnishment, the  
 18 employer shall do all of the following:

19 (1) ~~Within~~ **Not more than** 10 calendar days after the date of  
 20 the unemployment **insurance** agency's notice to withhold wages,  
 21 notify the unemployment **insurance** agency of the amount of any  
 22 irrevocable and previously effective assignment of wages or  
 23 garnishment actions.

24 (2) ~~Within~~ **Not more than** 10 days after the end of each pay  
 25 period in which wages are required to be withheld under the  
 26 administrative garnishment, remit to the unemployment **insurance**  
 27 agency the amount withheld pursuant to the administrative  
 28 garnishment.

29 (3) ~~Within~~ **Not more than** 10 days after the date on which the



1 claimant ceases to be employed by the employer, notify the  
2 unemployment **insurance** agency.

3 (o) Before payment of a prize of \$1,000.00 or more under the  
4 McCauley-Traxler-Law-Bowman-McNeeley lottery act, 1972 PA 239, MCL  
5 432.1 to 432.47, the bureau of state lottery shall determine  
6 whether a lottery prize winner has a current liability for  
7 restitution of unemployment benefits, penalty, or interest,  
8 assessed by the unemployment **insurance** agency and the amount of the  
9 prize owing to the unemployment **insurance** agency and shall remit  
10 that amount to the unemployment **insurance** agency.

11 (p) If the unemployment **insurance** agency does not record the  
12 discharge of lien with the register of deeds and seek reimbursement  
13 for that recording fee, the unemployment **insurance** agency shall  
14 provide the discharge of lien document and a notice of lien  
15 recording fee to the debtor, who is then responsible for recording  
16 the discharge and paying the applicable amounts required under  
17 section 2567 of the revised judicature act of 1961, 1961 PA 236,  
18 MCL 600.2567. The notice of lien recording fee must state the  
19 amount of the recording fee the unemployment **insurance** agency paid  
20 for recording the lien that is the subject of the discharge and may  
21 include any other relevant information.

22 (q) In addition to any other remedy provided under this act,  
23 the unemployment **insurance** agency may seek to recover unemployment  
24 compensation debt as provided by 26 USC 6402(f), 42 USC 503(m), or  
25 other applicable federal law. The debtor is liable for any fee the  
26 federal government imposes with respect to implementing the  
27 deduction from a federal tax refund.

28 Sec. 15a. (1) The unemployment **insurance** agency shall not  
29 collect interest on a contribution obligation that an employer pays



1 through apportioned quarterly payments, if the employer meets the  
 2 requirements of section 13(3) and has remitted the following  
 3 amounts or more each quarter by the date established for each  
 4 quarterly filing:

5 (a) First quarter - 25% of the total obligation incurred in  
 6 the first quarter.

7 (b) Second quarter - the obligation incurred in the second  
 8 quarter plus 25% of the total obligation for the first quarter.

9 (c) Third quarter - the obligation incurred in the third  
 10 quarter plus 25% of the total obligation for the first quarter.

11 (d) Fourth quarter - the obligation incurred in the fourth  
 12 quarter plus 25% of the total obligation for the first quarter.

13 (2) If an employer fails in any quarter to pay in full, by the  
 14 due date of the tax payment for that quarter, the percentage of the  
 15 tax deferred from the first quarter as described in subsection (1),  
 16 the unemployment **insurance** agency may collect interest at the rate  
 17 specified in section 15 on the amount of the deferred tax that is  
 18 due in that quarter and unpaid.

19 Sec. 16. If, not later than 3 years after the date of payment  
 20 of ~~any~~**an** amount as contributions or interest, ~~thereon,~~**an**  
 21 employing unit ~~which has that~~ paid ~~such~~**the** amount ~~shall make~~  
 22 ~~application~~**applies** for an adjustment or refund ~~thereof~~**of the**  
 23 ~~amount,~~ the ~~commission~~**unemployment insurance agency** shall  
 24 determine whether ~~such~~**the** contributions or interest or any portion  
 25 ~~thereof~~**of the contributions or interest** was erroneously collected,  
 26 ~~;~~ and the employing unit ~~shall~~**must** be promptly notified of ~~such~~  
 27 ~~the~~ determination, which ~~shall become~~**becomes** final unless the  
 28 employing unit files with the ~~commission~~**unemployment insurance**  
 29 ~~agency~~ an application for redetermination ~~thereof~~ in accordance



1 with ~~the provisions of~~ section 32a. If it is finally determined,  
 2 redetermined, or otherwise decided that any amount ~~thus~~ at issue  
 3 was erroneously collected, the ~~commission~~ **unemployment insurance**  
 4 **agency** shall allow ~~such~~ **the** employing unit to make an adjustment  
 5 ~~thereof, of the amount,~~ without interest, in connection with  
 6 subsequent contribution payments by ~~him~~ **the employing unit**. If the  
 7 adjustment cannot be made within the ensuing 3 months, the  
 8 ~~commission~~ **unemployment insurance agency** shall refund the amount,  
 9 without interest, from the appropriate fund or funds. For like  
 10 cause, in the same manner, and within the same period, adjustment  
 11 or refund may be made by the ~~commission~~ **unemployment insurance**  
 12 **agency** on its own initiative. When the individual owner of an  
 13 employing unit who is entitled to a refund dies or is legally  
 14 declared insane or mentally incompetent, the refund ~~shall become~~  
 15 **becomes** due and payable to the person who appears to the ~~commission~~  
 16 **unemployment insurance agency** upon investigation to be the legal  
 17 heir or guardian of the individual owner, or to any other person  
 18 found by the ~~commission~~ **unemployment insurance agency** to be  
 19 equitably entitled to the refund by reason of having incurred  
 20 expenses in behalf of the individual owner for ~~his~~ **the individual**  
 21 **owner's** burial or other necessary expenses.

22       Sec. 17. (1) The unemployment **insurance** agency shall maintain  
 23 in the unemployment compensation fund a nonchargeable benefits  
 24 account and a separate experience account for each employer as  
 25 provided in this section. This act does not give an employer or  
 26 individuals in the employer's service prior claims or rights to the  
 27 amount paid by the employer to the unemployment compensation fund.  
 28 All contributions to that fund must be pooled and available to pay  
 29 benefits to any individual entitled to the benefits under this act,



1 irrespective of the source of the contributions.

2 (2) The nonchargeable benefits account ~~shall~~**must** be credited  
3 with the following:

4 (a) All net earnings received on money, property, or  
5 securities in the fund.

6 (b) Any positive balance remaining in the employer's  
7 experience account as of the second June 30 computation date  
8 occurring after the employer has ceased to be subject to this act  
9 or after the employer has elected to change from a contributing  
10 employer to a reimbursing employer.

11 (c) The proceeds of the nonchargeable benefits component of  
12 employers' contribution rates determined as provided in section  
13 19(a) (5).

14 (d) All reimbursements received under section 11(c).

15 (e) All amounts that may be paid or advanced by the federal  
16 government under section 903 or section 1201 of the social security  
17 act, 42 USC 1103 and 1321, to the account of ~~the~~**this** state in the  
18 federal unemployment trust fund.

19 (f) All benefits improperly paid to claimants that have been  
20 recovered and that were previously charged to an employer's  
21 account.

22 (g) Any benefits forfeited by an individual by application of  
23 section 62(b).

24 (h) The amount of any benefit check, any employer refund  
25 check, any claimant restitution refund check, or other payment duly  
26 issued that has not been presented for payment within 1 year after  
27 the date of issue.

28 (i) Any other unemployment fund income not creditable to the  
29 experience account of any employer.



1 (j) Any negative balance transferred to an employer's new  
2 experience account pursuant to this section.

3 (k) Amounts transferred from the contingent fund under section  
4 10.

5 (3) The nonchargeable benefits account ~~shall~~**must** be charged  
6 with the following:

7 (a) Any negative balance remaining in an employer's experience  
8 account as of the second June 30 computation date occurring after  
9 the employer has ceased to be subject to this act or has elected to  
10 change from a contributing employer to a reimbursing employer.

11 (b) Refunds of amounts erroneously collected due to the  
12 nonchargeable benefits component of an employer's contribution  
13 rate.

14 (c) All training benefits paid under section 27(g) not  
15 reimbursable by the federal government and based on service with a  
16 contributing employer.

17 (d) Any positive balance credited or transferred to an  
18 employer's new experience account under this subsection.

19 (e) Repayments to the federal government of amounts advanced  
20 by it under section 1201 of the social security act, 42 USC 1321,  
21 to the unemployment compensation fund established by this act.

22 (f) The amounts received by the unemployment compensation fund  
23 under section 903 of the social security act, 42 USC 1103, that may  
24 be appropriated to the unemployment **insurance** agency in accordance  
25 with subsection (8).

26 (g) All benefits determined to have been improperly paid to  
27 claimants that have been credited to employers' accounts in  
28 accordance with section 20(a).

29 (h) The amount of any substitute check or other payment issued



1 to replace an uncashed benefit check, employer refund check,  
 2 claimant restitution refund check, or other payment previously  
 3 credited to this account.

4 (i) The amount of any benefit check or other payment issued  
 5 that would be chargeable to the experience account of an employer  
 6 who has ceased to be subject to this act, and who has had a balance  
 7 transferred from the employer's experience account to the solvency  
 8 or nonchargeable benefits account.

9 (j) All benefits that become nonchargeable to an employer  
 10 under section 19(b) or (c), 29(1)(a)(i) to (iv) or (3), or 42a.

11 (k) For benefit years with benefits allocated under section  
 12 20(f) for a week of unemployment in which a claimant earns  
 13 remuneration with a contributing employer that equals or exceeds  
 14 the amount of benefits allocated to that contributing employer.

15 (l) Benefits that are nonchargeable to an employer's account in  
 16 accordance with section 20(i) or (j).

17 (m) Benefits otherwise chargeable to the account of an  
 18 employer when the benefits are payable solely on the basis of  
 19 combining wages paid by a Michigan employer with wages paid by a  
 20 non-Michigan employer under the interstate arrangement for  
 21 combining employment and wages under 20 CFR 616.1 to 616.11.

22 (4) All contributions paid by an employer must be credited to  
 23 the unemployment compensation fund, and, except as otherwise  
 24 provided with respect to the proceeds of the nonchargeable benefits  
 25 component of employers' contribution rates by section 19(a)(5), to  
 26 the employer's experience account, as of the date when paid.

27 However, the contributions paid during any July ~~shall~~**must** be  
 28 credited as of the immediately preceding June 30. Additional  
 29 contributions paid by an employer as the result of a retroactive





1 contribution rate adjustment, solely for the purpose of this  
2 subsection, must be credited to the employer's experience account  
3 as if paid when due, if the payment is received ~~within~~**not more**  
4 **than** 30 days after the issuance of the initial assessment that  
5 results from the contribution rate adjustment and a written request  
6 for the application is filed by the employer during this period.

7 (5) If an employer who has ceased to be subject to this act,  
8 and who has had a positive or negative balance transferred as  
9 provided in subsection (2) or (3) from the employer's experience  
10 account to the solvency or nonchargeable benefits account as of the  
11 second computation date after the employer has ceased to be subject  
12 to this act, becomes subject to this act again ~~within~~**not more than**  
13 6 years after that computation date, the unemployment **insurance**  
14 agency shall transfer the positive or negative balance, adjusted by  
15 the debits and credits that are made after the date of transfer, to  
16 the employer's new experience account.

17 (6) If an employer's status as a reimbursing employer is  
18 terminated ~~within~~**not more than** 6 years after the date the  
19 employer's experience account as a prior contributing employer was  
20 transferred to the solvency or nonchargeable benefits account as  
21 provided in subsection (2) or (3) and the employer continues to be  
22 subject to this act as a contributing employer, any positive or  
23 negative balance in the employer's experience account as a prior  
24 contributing employer that was transferred to the solvency or  
25 nonchargeable benefits account must be transferred to the  
26 employer's new experience account. However, an employer who is  
27 delinquent with respect to any reimbursement payments in lieu of  
28 contributions for which the employer may be liable must not have a  
29 positive balance transferred during the delinquency.



1 (7) If a balance is transferred to an employer's new account  
 2 under subsection (5) or (6), the employer is not considered a  
 3 "qualified employer" until the employer has again been subject to  
 4 this act for the period set forth in section 19(a)(1).

5 (8) All money credited under section 903 of the social  
 6 security act, 42 USC 1103, to the account of ~~the~~**this** state in the  
 7 federal unemployment trust fund must immediately be credited by the  
 8 unemployment **insurance** agency to the fund's nonchargeable benefits  
 9 account. There is authorized to be appropriated to the unemployment  
 10 **insurance** agency from the money credited to the nonchargeable  
 11 benefits account under this subsection, an amount determined to be  
 12 necessary for the proper and efficient administration by the  
 13 unemployment **insurance** agency of this act for purposes for which  
 14 federal grants under title ~~3~~**III** of the social security act, 42 USC  
 15 501 to ~~505~~**506**, and the Wagner-Peyser act, 29 USC 49 to 49**l-2**, are  
 16 not available or are insufficient. The appropriation expires not  
 17 more than 2 years after the date of enactment and must provide that  
 18 any unexpended balance is credited to the nonchargeable benefits  
 19 account. An appropriation under this subsection must not exceed the  
 20 "adjusted balance" of the nonchargeable benefits account on the  
 21 most recent computation date. Appropriations made under this  
 22 subsection must limit the total amount that may be obligated by the  
 23 unemployment **insurance** agency during a fiscal year to an amount  
 24 that does not exceed the amount by which the aggregate of the  
 25 amounts credited to the nonchargeable benefits account under this  
 26 subsection during the fiscal year and the 24 preceding fiscal  
 27 years, exceeds the aggregate of the amounts obligated by the  
 28 unemployment **insurance** agency by appropriation under this  
 29 subsection and charged against the amounts thus credited to the



1 nonchargeable benefits account during any of the 25 fiscal years  
 2 and any amounts credited to the nonchargeable benefits account that  
 3 have been used for the payment of benefits.

4 ~~(9) Notwithstanding any other provision of this act, any~~  
 5 ~~benefit paid to a claimant that is laid off or placed on a leave of~~  
 6 ~~absence must not be charged to the account of any employer who~~  
 7 ~~otherwise would have been charged but instead must be charged to~~  
 8 ~~the nonchargeable benefits account. This subsection does not apply~~  
 9 ~~after March 31, 2021.~~

10 Sec. 18. As used in this act:

11 (a) "Computation date" means June 30 of each year.

12 (b) "Balance" means:

13 (1) As applied to an employer's experience account or to the  
 14 nonchargeable benefits account, the initial balance of that account  
 15 plus the credits and minus the charges that are made in accordance  
 16 with this act. A "negative balance" in an experience account exists  
 17 when its balance is a minus quantity.

18 (2) As applied to the fund, the sum obtained by adding the  
 19 total money received by the fund through the date in question plus  
 20 interest earnings credited to the fund by the United States  
 21 ~~treasury~~ **Department of the Treasury** as of or before that date, and  
 22 subtracting:

23 (i) Amounts received by the fund from the federal government as  
 24 advances to pay benefits under a federal act but not used as yet  
 25 for that purpose.

26 (ii) Advances made to the fund by the federal government under  
 27 section 1201 of the social security act, 42 ~~U.S.C.~~ **USC** 1321, that  
 28 have not been repaid to, canceled, or recovered by the federal  
 29 government.



1 (iii) Amounts that may have been appropriated by the legislature  
 2 in accordance with section 903(c)(2) of the social security act, 42  
 3 ~~U.S.C. 1103(e)(2)~~. **USC 1103.**

4 (iv) All disbursements from the fund.

5 (c) "Adjusted balance", as applied to the nonchargeable  
 6 benefits account, means the balance of that account minus its  
 7 contingent liabilities, namely, the amount of advances made to the  
 8 fund by the federal government under section 1201 of the social  
 9 security act, 42 ~~U.S.C.~~ **USC** 1321, that have not been repaid to,  
 10 canceled, or recovered by the federal government, and the total  
 11 amount of negative balances in employer experience accounts.

12 (d) (1) The "experience component" of an employer's  
 13 contribution rate means the sum of the employer's chargeable  
 14 benefits and account building components.

15 (2) If at least 1 but fewer than all of the applicable  
 16 quarterly reports of wages and contributions due with respect to  
 17 the 12-month period ending on the computation date have been filed  
 18 by an employer, the employer's experience component ~~shall~~ **must** be  
 19 set so that ~~his or her~~ **the employer's** contribution rate for the  
 20 calendar year affected ~~shall~~ **must** be the rate set in accordance  
 21 with section 19(a), and in addition a penalty of 3% of wages paid  
 22 to an individual with respect to employment, subject to the taxable  
 23 wage limit, ~~shall~~ **must** be imposed on the employer. The ~~commission~~  
 24 **unemployment insurance agency** shall calculate the rate using the  
 25 information filed by the employer for the quarter or quarters  
 26 reported. If none of the applicable quarterly reports of wages and  
 27 contributions due with respect to the 12-month period ending on the  
 28 computation date have been filed by an employer, the employer's  
 29 experience component ~~shall~~ **must** be set so that the employer's



1 contribution rate for the calendar year affected ~~shall~~**must not** be  
 2 ~~not~~ less than the highest rate applicable to the number of years of  
 3 the employer's contribution liability in accordance with section  
 4 19(a), and in addition a penalty of 3% of wages paid to an  
 5 individual with respect to employment, subject to the taxable wage  
 6 limit, ~~shall~~**must** be imposed on the employer. An employer whose  
 7 contribution rate and penalty have been determined under this  
 8 section may have ~~his or her~~**the employer's** contribution rate  
 9 redetermined in accordance with section 19(a) and may have ~~his or~~  
 10 ~~her~~**the employer's** penalty redetermined and removed if the employer  
 11 files all of the missing reports not later than 30 days after the  
 12 date of mailing of the notice of determination of contribution  
 13 rate. An employer who files all of the missing reports after the 30  
 14 days but not later than 1 year after the date of mailing of the  
 15 determination of contribution rate and penalty shall have ~~his or~~  
 16 ~~her~~**the employer's** contribution rate redetermined in accordance  
 17 with section 19(a) and shall have ~~his or her~~**the employer's** penalty  
 18 redetermined to 2%. However, if the ~~commission~~**unemployment**  
 19 **insurance agency** finds that the employer had good cause for filing  
 20 the missing reports after the 30-day period but within 1 year, the  
 21 ~~commission~~**unemployment insurance agency** shall redetermine the  
 22 employer's contribution rate in accordance with section 19(a) and  
 23 shall redetermine and remove the penalty. The ~~commission~~  
 24 **unemployment insurance agency** may by rule prescribe good cause  
 25 reasons for removing the penalty. Notwithstanding section 32a, if  
 26 the employer files all of the missing reports after 1 year, good  
 27 cause ~~shall~~**must** not be considered, but the employer's contribution  
 28 rate ~~shall~~**must** be redetermined in accordance with section 19(a)  
 29 and the employer's penalty ~~shall remain~~**remains** at 3%. A penalty



1 paid by an employer pursuant to this section ~~shall~~**must** not be  
 2 credited to the employer's experience account nor to the  
 3 unemployment compensation fund. The penalty ~~shall~~**must** be credited  
 4 to the interest and penalty account of the contingent fund. A  
 5 contribution rate for a tax year may not be redetermined under this  
 6 subsection if the missing reports for that year are received more  
 7 than 3 years after the rate determination for the year is issued  
 8 with respect to taxable years beginning on or after January 1,  
 9 1991.

10 (e) (1) "Cost criterion" means the number arrived at as of  
 11 each computation date through the following calculations:

12 (i) With respect to each period of 12 consecutive months,  
 13 ~~starting after 1956,~~ calculate the percentage ratio of the benefits  
 14 paid during the 12 months to the aggregate amount of the payrolls  
 15 paid by employers within the most recent calendar year completed  
 16 before the start of the 12-month period.

17 (ii) Select the largest percentage ratio, which is referred to  
 18 as the "cost criterion", to be used as of that computation date.

19 (2) For purposes of this subsection, "benefits" do not include  
 20 benefits paid under a federal law or that are reimbursable or have  
 21 been reimbursed by the federal government, and "payroll" does not  
 22 include remuneration paid by this state and other employers who  
 23 make reimbursement payments instead of contributions.

24 (f) "Payroll" means remuneration paid by a contributing  
 25 employer for employment.

26 (g) Notwithstanding the definition of "balance" as applied to  
 27 the fund and of "adjusted balance" as applied to the nonchargeable  
 28 benefits account by subsections (b) and (c), if the federal  
 29 unemployment tax act, 26 ~~U.S.C.~~**USC** 3301 to 3311 or the social



1 security act, 42 ~~U.S.C.~~**USC** 301 to 1397e, is amended to cancel the  
 2 liability of employers in this state to pay additional federal  
 3 unemployment taxes under the reduced credit provisions of section  
 4 3302(c) of the federal unemployment tax act, 26 ~~U.S.C.~~**USC**  
 5 **3302**, otherwise applicable to the then unpaid balance of money  
 6 advanced to the Michigan unemployment fund since 1974, the amount  
 7 of that part of the unpaid balance ~~shall~~**must** be included in the  
 8 balance of the unemployment fund and in the adjusted balance of the  
 9 nonchargeable benefits account.

10 Sec. 19. (a) The ~~commission~~**unemployment insurance agency**  
 11 shall determine the contribution rate of each contributing employer  
 12 for each calendar year after 1977 as follows:

13 (1) (i) Except as provided in paragraph (ii), an employer's rate  
 14 ~~shall~~**must** be calculated as described in table A, A-1, or A-2 with  
 15 respect to wages paid by the employer in each calendar year for  
 16 employment. If an employer's coverage is terminated under section  
 17 24, or at the conclusion of 12 or more consecutive calendar  
 18 quarters during which the employer has not had workers in covered  
 19 employment, and if the employer again becomes liable for  
 20 contributions, the employer ~~shall~~**must** be considered as newly  
 21 liable for contributions for the purposes of the tables in this  
 22 subsection. An employer that becomes liable under section 41(2)  
 23 will not be assigned the new employer rate but instead the  
 24 employer's most recent prior rate as a predecessor employer will be  
 25 assigned to its new account.

26 (ii) To provide against the high risk of net loss to the fund  
 27 in such cases, an employing unit that becomes newly liable for  
 28 contributions under this act in a calendar year beginning on or  
 29 after January 1, 1983 in which it employs in "employment", not



1 necessarily simultaneously but in any 1 week 2 or more individuals  
 2 in the performance of 1 or more contracts or subcontracts for  
 3 construction in ~~the~~**this** state of roads, bridges, highways, sewers,  
 4 water mains, utilities, public buildings, factories, housing  
 5 developments, or similar construction projects, ~~shall be~~**is** liable  
 6 for contributions to that employer's account under this act for the  
 7 first 4 years of operations in this state at a rate equal to the  
 8 average rate paid by employers engaged in the construction business  
 9 as determined by contractor type in the manner provided in table B,  
 10 B-1, or B-2.

11 For an employer that was a contributing employer before  
 12 January 1, 2012 and did not convert from a reimbursing to a  
 13 contributing employer on or after January 1, 2012, the following  
 14 tables apply:

15 

Table A	
Year of Contribution Liability	Contribution Rate
1	2.7%
2	2.7%
3	1/3 (chargeable benefits component) + 1.8%
4	2/3 (chargeable benefits component) + 1.0%
5 and over	(chargeable benefits component) + (account building component) + (nonchargeable benefits component)

27 

Table B	
Year of Contribution Liability	Contribution Rate





1	1	average construction contractor
2		rate as determined by the
3		<del>commission</del> <b>unemployment insurance</b>
4		<b>agency</b>
5	2	average construction contractor
6		rate as determined by the
7		<del>commission</del> <b>unemployment insurance</b>
8		<b>agency</b>
9	3	1/3 (chargeable benefits
10		component) + 2/3 average
11		construction contractor rate as
12		determined by the
13		<del>commission</del> <b>unemployment insurance</b>
14		<b>agency</b>
15	4	2/3 (chargeable benefits
16		component) + 1/3 average
17		construction contractor rate as
18		determined by the
19		<del>commission</del> <b>unemployment insurance</b>
20		<b>agency</b>
21	5 and over	(chargeable benefits component) +
22		(account building component) +
23		(nonchargeable benefits
24		component)

For an employer that becomes a contributing employer on or after January 1, 2012 and before January 1, 2013, the following tables apply:

---

Table A-1

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Year of Contribution Liability	Contribution Rate
--------------------------------	-------------------

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1	1	2.7%
2	2	2.7% + 1/3 (chargeable benefits
3		component)
4	3	2.7% + 2/3 (chargeable benefits
5		component)
6	4 and over	(chargeable benefits component) +
7		(account building component) +
8		(nonchargeable benefits
9		component)

---

Table B-1

---

11	Year of Contribution Liability	Contribution Rate
12	1	average construction contractor
13		rate as determined by the
14		<del>commission</del> <b>unemployment insurance</b>
15		<b>agency</b>
16	2	average construction contractor
17		rate as determined by the
18		<del>commission</del> <b>unemployment insurance</b>
19		<b>agency</b> + 1/3 (chargeable benefits
20		component)
21	3	average construction contractor
22		rate as determined by the
23		<del>commission</del> <b>unemployment insurance</b>
24		<b>agency</b> + 2/3 (chargeable benefits
25		component)
26	4 and over	(chargeable benefits component) +
27		(account building component) +
28		(nonchargeable benefits
29		component)



1 For an employer that becomes a contributing employer on or  
 2 after January 1, 2013, the following tables apply:

3 Table A-2

4 Year of Contribution Liability	Contribution Rate
5 1	2.7% + 1/3 (chargeable benefits 6 component)
7 2	2.7% + 2/3 (chargeable benefits 8 component)
9 3 and over	(chargeable benefits component) + 10 (account building component) + 11 (nonchargeable benefits 12 component)

13 Table B-2

14 Year of Contribution Liability	Contribution Rate
15 1	average construction contractor 16 rate as determined by the 17 <del>commission</del> <b>unemployment insurance</b> 18 <b>agency</b> + 1/3 (chargeable benefits 19 component)
20 2	average construction contractor 21 rate as determined by the 22 <del>commission</del> <b>unemployment insurance</b> 23 <b>agency</b> + 2/3 (chargeable benefits 24 component)
25 3 and over	(chargeable benefits component) + 26 (account building component) + 27 (nonchargeable benefits 28 component)

29 (2) With the exception of employers who are in the first 4



1 consecutive years of liability, each employer's contribution rate  
 2 ~~shall~~**must** be the sum of the following components, all of which are  
 3 determined as of the computation date: a chargeable benefits  
 4 component determined under subdivision (3), an account building  
 5 component determined under subdivision (4), and a nonchargeable  
 6 benefits component determined under subdivision (5).

7 (3) (i) For calendar years beginning before January 1, 2012, the  
 8 chargeable benefits component of an employer's contribution rate is  
 9 the percentage determined by dividing: the total amount of benefits  
 10 charged to the employer's experience account within the lesser of  
 11 60 consecutive months ending on the computation date or the number  
 12 of consecutive months ending on the computation date with respect  
 13 to which the employer has been continuously liable for  
 14 contributions; by the amount of wages, subject to contributions,  
 15 paid by the employer within the same period. If the resulting  
 16 quotient is not an exact multiple of 1/10 of 1%, it ~~shall~~**must** be  
 17 increased to the next higher multiple of 1/10 of 1%. For the  
 18 calendar year 2012, the chargeable benefits component of an  
 19 employer's contribution rate is the percentage determined by  
 20 dividing: the total amount of benefits charged to the employer's  
 21 experience account within the lesser of 48 consecutive months  
 22 ending on the computation date or the number of consecutive months  
 23 ending on the computation date with respect to which the employer  
 24 has been continuously liable for contributions; by the amount of  
 25 wages, subject to contributions, paid by the employer within the  
 26 same period. If the resulting quotient is not an exact multiple of  
 27 1/10 of 1%, it ~~shall~~**must** be increased to the next higher multiple  
 28 of 1/10 of 1%. For each calendar year beginning on or after January  
 29 1, 2013, the chargeable benefits component of an employer's



1 contribution rate is the percentage determined by dividing: the  
 2 total amount of benefits charged to the employer's experience  
 3 account within the lesser of 36 consecutive months ending on the  
 4 computation date or the number of consecutive months ending on the  
 5 computation date with respect to which the employer has been  
 6 continuously liable for contributions; by the amount of wages,  
 7 subject to contributions, paid by the employer within the same  
 8 period. If the resulting quotient is not an exact multiple of 1/10  
 9 of 1%, it ~~shall~~**must** be increased to the next higher multiple of  
 10 1/10 of 1%.

11 ~~(ii) For benefit years established before October 1, 2000, the~~  
 12 ~~chargeable benefits component shall not exceed 6.0%, unless there~~  
 13 ~~is a statutory change in the maximum duration of regular benefit~~  
 14 ~~payments or the statutory ratio of regular benefit payments to~~  
 15 ~~credit weeks. In the event of a change in the maximum duration of~~  
 16 ~~regular benefit payments, the maximum chargeable benefits component~~  
 17 ~~shall increase by the same percentage as the statutory percentage~~  
 18 ~~change in the duration of regular benefit payments between~~  
 19 ~~computation dates. In the event of an increase in the statutory~~  
 20 ~~ratio of regular benefit payments to credit weeks, as described in~~  
 21 ~~section 27(d), the maximum chargeable benefits component determined~~  
 22 ~~as of the computation dates occurring after the effective date of~~  
 23 ~~the increased ratio shall increase by 1/2 the same percentage as~~  
 24 ~~the increase in the ratio of regular benefit payments to credit~~  
 25 ~~weeks. If the resulting increase is not already an exact multiple~~  
 26 ~~of 1/10 of 1%, it shall be adjusted to the next higher multiple of~~  
 27 ~~1/10 of 1%. For benefit years established after October 1, 2000,~~  
 28 ~~the~~**The** chargeable benefits component ~~shall~~**must** not exceed 6.0%,  
 29 unless there is a statutory change in the maximum duration of



1 regular benefit payments or the percentage factor of base period  
 2 wages, which defines maximum duration, as provided in section  
 3 27(d). If there is a statutory change in the maximum duration of  
 4 regular benefit payments, the maximum chargeable benefits component  
 5 ~~shall~~**must** increase by the same percentage as the statutory  
 6 percentage change in the duration of regular benefit payments  
 7 between computation dates. If there is an increase in the statutory  
 8 percentage factor of base period wages, as described in section  
 9 27(d), the maximum chargeable benefits component determined as of  
 10 the computation dates occurring after the effective date of the  
 11 increased ratio ~~shall~~**must** increase by 1/2 the same percentage as  
 12 the increase in the percentage factor of base period wages. If the  
 13 resulting increase is not already an exact multiple of 1/10 of 1%,  
 14 it ~~shall~~**must** be adjusted to the next higher multiple of 1/10 of  
 15 1%.

16 (4) The account building component of an employer's  
 17 contribution rate is the percentage arrived at by the following  
 18 calculations: (i) Multiply the amount of the employer's total  
 19 payroll for the 12 months ending on the computation date, by the  
 20 cost criterion; (ii) Subtract the amount of the balance in the  
 21 employer's experience account as of the computation date from the  
 22 product determined under (i); and (iii) if the remainder is zero or a  
 23 negative quantity, the account building component of the employer's  
 24 contribution rate ~~shall~~**must** be zero; but (iv) if the remainder is a  
 25 positive quantity, the account building component of the employer's  
 26 contribution rate ~~shall~~**must** be determined by dividing that  
 27 remainder by the employer's total payroll paid within the 12 months  
 28 ending on the computation date. The account building component  
 29 ~~shall~~**must** not exceed the lesser of 1/4 of the percentage



1 calculated or 2%. However, except as otherwise provided in this  
 2 subdivision, the account building component ~~shall~~**must** not exceed  
 3 the lesser of 1/2 of the percentage calculated or 3%, if on the  
 4 June 30 of the preceding calendar year the balance in the  
 5 unemployment compensation fund was less than 50% of an amount equal  
 6 to the aggregate of all contributing employers' annual payrolls,  
 7 for the 12 months ending March 31, times the cost criterion. For  
 8 calendar years after 1993 and before 1996, the account building  
 9 component ~~shall~~**must** not exceed the lesser of .69 of the percentage  
 10 calculated, or 3%, if on the June 30 of the preceding calendar year  
 11 the balance in the unemployment compensation fund was less than 50%  
 12 of an amount equal to the aggregate of all contributing employers'  
 13 annual payrolls, for the 12 months ending March 31, as defined in  
 14 section 18(f), times the cost criterion; selected for the  
 15 computation date under section 18(e). If the account building  
 16 component determined under this subdivision is not an exact  
 17 multiple of 1/10 of 1%, it ~~shall~~**must** be adjusted to the next  
 18 higher multiple of 1/10 of 1%.

19 (5) The nonchargeable benefits component of employers'  
 20 contribution rates is the percentage arrived at by the following  
 21 calculations: (i) multiply the aggregate amount of all contributing  
 22 employers' annual payrolls, for the 12 months ending March 31, as  
 23 defined in section 18(f), by the cost criterion selected for the  
 24 computation date under section 18(e); (ii) subtract the balance of  
 25 the unemployment fund on the computation date, net of federal  
 26 advances, from the product determined under (i); and (iii) if the  
 27 remainder is zero or a negative quantity, the nonchargeable  
 28 benefits component of employers' contribution rates ~~shall~~**must** be  
 29 zero; but (iv) if the remainder is a positive quantity, the



1 nonchargeable benefits component of employers' contribution rates  
2 ~~shall~~**must** be determined by dividing that remainder by the total of  
3 wages subject to contributions under this act paid by all  
4 contributing employers within the 12 months ending on March 31 and  
5 adjusting the quotient, if not an exact multiple of 1/10 of 1%, to  
6 the next higher multiple of 1/10 of 1%. The maximum nonchargeable  
7 benefits component ~~shall~~**must** be 1%. However, for calendar years  
8 after 1993, if there are no benefit charges against an employer's  
9 account for the 60 months ending as of the computation date, or for  
10 calendar years after 1995, if the employer's chargeable benefits  
11 component is less than 2/10 of 1%, the maximum nonchargeable  
12 benefit component ~~shall~~**must** not exceed 1/2 of 1%. For calendar  
13 years after 1995, if there are no benefit charges against an  
14 employer's account for the 72 months ending as of the computation  
15 date, the maximum nonchargeable benefits component ~~shall~~**must** not  
16 exceed 4/10 of 1%. For calendar years after 1996, if there are no  
17 benefit charges against an employer's account for the 84 months  
18 ending as of the computation date, the maximum nonchargeable  
19 benefits component ~~shall~~**must** not exceed 3/10 of 1%. For calendar  
20 years after 1997, if there are no benefit charges against an  
21 employer's account for the 96 months ending as of the computation  
22 date, the maximum nonchargeable benefits component ~~shall~~**must** not  
23 exceed 2/10 of 1%. For calendar years after 1998, if there are no  
24 benefit charges against an employer's account for the 108 months  
25 ending as of the computation date, the maximum nonchargeable  
26 benefits component ~~shall~~**must** not exceed 1/10 of 1%. For calendar  
27 years after 2002, the maximum nonchargeable benefits component  
28 ~~shall~~**must** not exceed 1/10 of 1% if there are no benefit charges  
29 against an employer's account for the 60 months ending as of the





1 computation date; 9/100 of 1% if there are no benefit charges  
 2 against an employer's account for the 72 months ending as of the  
 3 computation date; 8/100 of 1% if there are no benefit charges  
 4 against an employer's account for the 84 months ending as of the  
 5 computation date; 7/100 of 1% if there are no benefit charges  
 6 against an employer's account for the 96 months ending as of the  
 7 computation date; or 6/100 of 1% if there are no benefit charges  
 8 against an employer's account for the 108 months ending as of the  
 9 computation date. For purposes of determining a nonchargeable  
 10 benefits component under this subsection, an employer account ~~shall~~  
 11 **must** not be considered to have had a charge if claim for benefits  
 12 is denied or determined to be fraudulent pursuant to section 54 or  
 13 54c. An employer with a positive balance in its experience account  
 14 on the June 30 computation date preceding the calendar year ~~shall~~  
 15 **must** receive for that calendar year a credit in an amount equal to  
 16 1/2 of the extra federal unemployment tax paid in the preceding  
 17 calendar year under section 3302(c) (2) of the federal unemployment  
 18 tax act, 26 USC 3302, because of an outstanding balance of unrepaid  
 19 advances from the federal government to the unemployment  
 20 compensation fund under section 1201 of title XII of the social  
 21 security act, 42 USC 1321. However, the credit for any calendar  
 22 year ~~shall~~**must** not exceed an amount determined by multiplying the  
 23 employer's nonchargeable benefit component for that calendar year  
 24 times the employer's taxable payroll for that year. Contributions  
 25 paid by an employer ~~shall~~**must** be credited to the employer's  
 26 experience account, in accordance with ~~the provisions of~~ section  
 27 17(5), without regard to any credit given under this subsection.  
 28 The amount credited to an employer's experience account ~~shall~~**must**  
 29 be the amount of the employer's tax before deduction of the credit



1 provided in this subsection.

2 (6) The total of the chargeable benefits and account building  
 3 components of an employer's contribution rate ~~shall~~**must** not exceed  
 4 by more than 1% in the 1983 calendar year, 1.5% in the calendar  
 5 year 1984, or 2% in the 1985 calendar year the higher of 4% or the  
 6 total of the chargeable benefits and the account building  
 7 components that applied to the employer during the preceding  
 8 calendar year. For calendar years after 1985, the total of the  
 9 chargeable benefits and account building components of the  
 10 employer's contribution rate ~~shall~~**must** be computed without regard  
 11 to the foregoing limitation provided in this subdivision. During a  
 12 year in which this subdivision limits an employer's contribution  
 13 rate, the resulting reduction ~~shall~~**must** be considered to be  
 14 entirely in the experience component of the employer's contribution  
 15 rate, as defined in section 18(d).

16 (b) An employer previously liable for contributions under this  
 17 act ~~which~~**that** on or after January 1, 1978 filed a petition for  
 18 arrangement under the bankruptcy act of July 1, 1898, chapter 541,  
 19 30 Stat. 544, or on or after October 1, 1979 filed a petition for  
 20 reorganization under title 11 of the United States Code, 11 USC 101  
 21 to ~~1330,~~**1532**, pursuant to which a plan of arrangement or  
 22 reorganization for rehabilitation purposes has been confirmed by  
 23 order of the United States bankruptcy court, ~~shall~~**must** be  
 24 considered as a reorganized employer and ~~shall~~**must** have a reserve  
 25 fund balance of zero as of the first calendar year immediately  
 26 following court confirmation of the plan of arrangement or  
 27 reorganization, but not earlier than the calendar year beginning  
 28 January 1, 1983, if the employer meets each of the following  
 29 requirements:



1           (1) ~~An employer whose plan of arrangement or reorganization~~  
 2 ~~has been confirmed as of January 1, 1983 shall, within 60 days~~  
 3 ~~after January 1, 1983, notify the commission of its intention to~~  
 4 ~~elect the status of a reorganized employer.~~ An employer that has  
 5 not had a plan of arrangement or reorganization confirmed as of  
 6 January 1, 1983 shall, within 60 days after the entry by the  
 7 bankruptcy court of the order of confirmation of the plan of  
 8 arrangement or reorganization, notify the ~~commission~~ **unemployment**  
 9 **insurance agency** of its intention to elect the status of a  
 10 reorganized employer. An employer shall not make an election under  
 11 this subdivision after December 31, 1985.

12           (2) The employer has paid to the ~~commission~~ **unemployment**  
 13 **insurance agency** all contributions previously owed by the employer  
 14 pursuant to this act for all calendar years ~~prior to~~ **before** the  
 15 calendar year as to which the employer elects to begin its status  
 16 as a reorganized employer.

17           (3) More than 50% of the employer's total payroll is paid for  
 18 services rendered in this state during the employer's fiscal year  
 19 immediately preceding the date the employer notifies the fund  
 20 administrator of its intention to elect the status of a reorganized  
 21 employer.

22           (4) The employer, ~~within~~ **not more than** 180 days after  
 23 notifying the ~~commission~~ **unemployment insurance agency** of its  
 24 intention to elect the status of a reorganized employer, makes a  
 25 cash payment to the ~~commission~~, **unemployment insurance agency**, for  
 26 the unemployment compensation fund, equal to: .20 times the first  
 27 \$2,000,000.00 of the employer's negative balance, .35 times the  
 28 amount of the employer's negative balance above \$2,000,000.00 and  
 29 up to \$5,000,000.00, and .50 times the amount of the negative



1 balance above \$5,000,000.00. The total amount determined by the  
 2 ~~commission shall~~ **unemployment insurance agency must** be based on the  
 3 employer's negative balance existing as of the end of the calendar  
 4 month immediately preceding the calendar year in which the employer  
 5 will begin its status as a reorganized employer. If the employer  
 6 ~~fails to~~ **does not** pay the amount determined, ~~within~~ **not more than**  
 7 180 days ~~of~~ **after** electing status as a reorganized employer, the  
 8 ~~commission~~ **unemployment insurance agency** shall reinstate the  
 9 employer's negative balance previously reduced and redetermine the  
 10 employer's rate on the basis of the reinstated negative balance.  
 11 The redetermined rate ~~shall~~ **must** then be used to redetermine the  
 12 employer's quarterly contributions for that calendar year. The  
 13 redetermined contributions ~~shall be~~ **are** subject to the interest  
 14 provisions of section 15 as of the date the redetermined quarterly  
 15 contributions were originally due.

16 (5) Except as provided in subdivision (6), the employer  
 17 contribution rates for a reorganized employer beginning with the  
 18 first calendar year of the employer's status as a reorganized  
 19 employer ~~shall be~~ **are** as follows:

Year of Contribution Liability	Contribution Rate
1	2.7% of total taxable wages paid
2	2.7%
3	2.7%
4 and over	(chargeable benefits component based upon 3-year experience) plus (account building component based upon 3-year experience) plus (nonchargeable benefits component)



1 (6) To provide against the high risk of net loss to the fund  
 2 in such cases, any reorganized employer that employs in  
 3 "employment", not necessarily simultaneously but in any 1 week 25  
 4 or more individuals in the performance of 1 or more contracts or  
 5 subcontracts for construction in ~~the~~**this** state of roads, bridges,  
 6 highways, sewers, water mains, utilities, public buildings,  
 7 factories, housing developments, or similar major construction  
 8 projects, ~~shall be~~**is** liable beginning the first calendar year of  
 9 the employer's status as a reorganized employer for contribution  
 10 rates as follows:

Year of Contribution Liability	Contribution Rate
1	average construction contractor rate as determined by the <del>commission</del> <b>unemployment insurance agency</b>
2	average construction contractor rate as determined by the <del>commission</del> <b>unemployment insurance agency</b>
3	1/3 (chargeable benefits component) + 2/3 average construction contractor rate as determined by the <del>commission</del> <b>unemployment insurance agency</b>



1                                 4                                 2/3 (chargeable benefits  
2   component) + 1/3 average  
3   construction contractor rate as  
4   determined by the  
5   ~~commission~~ **unemployment insurance**  
6   **agency**  
7                                 5 and over                                 (chargeable benefits component) +  
8   (account building component) +  
9   (nonchargeable benefits  
10   component)

11                 (c) Upon application by an employer to the ~~commission~~  
12 **unemployment insurance agency** for designation as a distressed  
13 employer, the ~~commission, within~~ **unemployment insurance agency, not**  
14 **more than** 60 days after receipt of the application, shall make a  
15 determination whether the employer meets the conditions set forth  
16 in this subsection. Upon finding that the conditions are met, the  
17 ~~commission~~ **unemployment insurance agency** shall notify the  
18 legislature of the determination and request legislative  
19 acquiescence in the determination. If the legislature approves the  
20 determination by concurrent resolution, the employer ~~shall~~ **must** be  
21 considered to be a "distressed employer" as of January 1 of the  
22 year in which the determination is made. The ~~commission~~  
23 **unemployment insurance agency** shall notify the employer of that  
24 determination and notify the employer of its contribution rate as a  
25 distressed employer and the contribution rate that would apply if  
26 the employer was not a distressed employer. The distressed employer  
27 shall determine its tax contribution using the 2 rates furnished by  
28 the ~~commission~~ **unemployment insurance agency** and shall pay its tax  
29 contribution based on the lower of the 2 rates. If the



1 determination of distressed employer status is made during the  
 2 calendar year, the employer ~~shall be~~**is** entitled to a credit on  
 3 future quarterly installments for any excess contributions paid  
 4 during that initial calendar year. The employer shall notify the  
 5 ~~commission~~**unemployment insurance agency** of the difference between  
 6 the amount paid and the amount that would have been paid if the  
 7 employer were not determined to be a distressed employer and the  
 8 difference will be owed to the unemployment compensation fund,  
 9 payable in accordance with this subsection. Cumulative totals of  
 10 the difference must be reported to the ~~commission~~**unemployment**  
 11 **insurance agency** with each return required to be filed. The  
 12 ~~commission~~**unemployment insurance agency** may periodically determine  
 13 continued eligibility of an employer under this subsection. When  
 14 the ~~commission~~**unemployment insurance agency** makes a determination  
 15 that an employer no longer qualifies as a distressed employer, the  
 16 ~~commission~~**unemployment insurance agency** shall notify the employer  
 17 of that determination. After notice by the ~~commission~~**unemployment**  
 18 **insurance agency** that the employer no longer qualifies as a  
 19 distressed employer, the employer will be liable for contributions,  
 20 beginning with the first quarter occurring after receipt of  
 21 notification of disqualification, on the basis of the rate that  
 22 would apply if the employer was not a distressed employer. The  
 23 contribution rate for a distressed employer ~~shall~~**must** be  
 24 calculated under the law in effect for the 1982 calendar year  
 25 except that the rate determined ~~shall~~**must** be reduced by the  
 26 applicable solvency tax rate assessed against the employer under  
 27 section 19a. The distressed employer ~~will~~**shall** pay in 10 equal  
 28 annual installments the amount of the unpaid contributions owed to  
 29 the unemployment compensation fund due to the application of this



1 subsection, without interest. Each installment ~~shall~~**must** be made  
 2 with the fourth quarterly return for the respective year. As used  
 3 in this subsection, "distressed employer" means an employer whose  
 4 continued presence in this state is considered essential to ~~the~~  
 5 **this** state's economic well-being and who meets the following  
 6 criteria:

7 (1) The employer's average annual Michigan payroll in the 5  
 8 previous years exceeded \$500,000,000.00.

9 (2) The employer's average quarterly number of employees in  
 10 Michigan in the 5 previous years exceeded 25,000.

11 (3) The employer's business income as defined in section 3 of  
 12 ~~the single business tax act, former~~ 1975 PA 228, ~~MCL 208.3,~~ or  
 13 section 105 of the Michigan business tax act, 2007 PA 36, MCL  
 14 208.1105, as applicable, has resulted in an aggregate loss of  
 15 \$1,000,000,000.00 or more during the 5-year period ending in the  
 16 second year ~~prior to~~**before** the year for which the application is  
 17 being made.

18 (4) The employer has received from this state loans totaling  
 19 \$50,000,000.00 or more or loan guarantees from the federal  
 20 government in excess of \$500,000,000.00, either of which are still  
 21 outstanding.

22 (5) Failure to give an employer designation as a distressed  
 23 employer would adversely impair the employer's ability to repay the  
 24 outstanding loans owed to this state or that are guaranteed by the  
 25 federal government.

26 (d) An employer may at any time make payments to that  
 27 employer's experience account in the fund in excess of the  
 28 requirements of this section, but these payments, when accepted by  
 29 the ~~commission,~~ **shall be unemployment insurance agency, are**





1 irrevocable. A payment made by an employer ~~within~~**not more than** 30  
 2 days after mailing to the employer by the ~~commission~~**unemployment**  
 3 **insurance agency** of a notice of the adjusted contribution rate of  
 4 the employer ~~shall~~**must** be credited to the employer's account as of  
 5 the computation date for which the adjusted contribution rate was  
 6 computed, and the employer's contribution rate ~~shall~~**must** be  
 7 further adjusted accordingly. However, a payment made more than 120  
 8 days after the beginning of a calendar year ~~shall~~**must** not affect  
 9 the employer's contribution rate for that year.

10       Sec. 19a. (1) Except for the first 4 consecutive years of  
 11 liability, a contributing employer is subject to a solvency tax for  
 12 a calendar year after 1982 if the employer's experience account has  
 13 a negative balance on the June 30 preceding that calendar year, and  
 14 if on the June 30 preceding that calendar year the balance in the  
 15 unemployment compensation fund is less than the total amount of  
 16 unrepaid interest bearing advances from the federal government to  
 17 the fund under section 1201 of the social security act, 42 USC  
 18 1321, or the ~~commission~~**unemployment insurance agency** projects that  
 19 interest will be due during the calendar year on federal advances  
 20 and there will be insufficient solvency tax funds in the contingent  
 21 fund to meet the federal interest obligations when due or there are  
 22 outstanding advances from the state treasury from the previous year  
 23 and any interest thereon and there will be insufficient solvency  
 24 tax funds in the contingent fund to repay such advances and  
 25 interest. The solvency tax rate is in addition to the employer's  
 26 contribution rate and is not subject to the limiting provisions of  
 27 section 19(a) (6).

28       (2) The solvency tax rate ~~shall be~~**is** determined as follows:

29       (a) If there is a balance on December 31, 2011, of unrepaid



1 interest bearing federal advances, the solvency tax rate for the  
 2 2012 calendar year and for each calendar year thereafter ~~shall~~**must**  
 3 be calculated in the manner provided in this subdivision until the  
 4 balance of the interest bearing federal advances on December 31,  
 5 2011 has been reduced to zero. By February 1 of the calendar year,  
 6 the ~~commission~~**unemployment insurance agency** shall calculate the  
 7 sum of the estimated interest due during the calendar on federal  
 8 loans, without regard to any interest deferral that is permitted  
 9 under section 1202 of the social security act, 42 USC 1322, the  
 10 remaining balance on December 31 of the preceding year of the  
 11 December 31, 2011 balance of unrepaid interest bearing federal  
 12 advances, and any amounts advanced from the state treasury under  
 13 subsection (3) during the preceding year and any interest on the  
 14 balance. For purposes of calculating the remaining balance, any  
 15 loan repayments during the year ~~shall~~**must** first be applied toward  
 16 reducing the December 31, 2011 loan balance. The amount so  
 17 calculated ~~shall~~**must** be divided by the estimated total taxable  
 18 payroll for the calendar year of all active employers who had  
 19 negative balances in ~~their~~**the employers'** experience accounts as of  
 20 June 30 of the previous year. Total taxable payroll ~~shall~~**must** be  
 21 estimated by using the total taxable payroll for those employers  
 22 for the 12-month period ending June 30 of the previous calendar  
 23 year and adjusting this figure for any change in the taxable wage  
 24 limit for the calendar year. The quotient ~~shall~~**must** be adjusted to  
 25 the next 1/10 of 1%. If this adjusted percentage is 0.8% or less,  
 26 an employer's solvency tax rate for that calendar year ~~shall~~**must**  
 27 be the percentage calculated. If the adjusted percentage is more  
 28 than 0.8%, the employer's solvency tax rate ~~shall~~**must** be  
 29 calculated in the same manner as the account building component of



1 the employer's contribution rate as determined under section  
 2 19(a)(4), adjusted to generate sufficient aggregate solvency tax  
 3 revenues to pay the interest due during the year on federal loans,  
 4 to pay for the unemployment insurance automation project, to repay  
 5 the remaining balance of the December 31, 2011 balance of unrepaid  
 6 federal interest bearing loans, and to repay advances from the  
 7 state treasury and any interest due thereon, but ~~shall~~**must** not  
 8 exceed the lesser of 1/4 of the percentage calculated or 2%.

9 (b) For any calendar year after the first calendar year that  
 10 the remaining balance of the December 31, 2011 balance of unrepaid  
 11 interest bearing federal advances has been reduced to zero by  
 12 December 31 of that year, an employer's solvency tax rate ~~shall~~  
 13 **must** be calculated in the same manner as the account building  
 14 component of the employer's contribution rate as determined under  
 15 section 19(a)(4), but ~~shall~~**must** not exceed the lesser of 1/4 of  
 16 the percentage calculated or 2%.

17 (3) Solvency taxes ~~shall~~ become due and payable in the manner,  
 18 and at the times, specified for contributions in rules promulgated  
 19 by the ~~commission~~**unemployment insurance agency**. However, if the  
 20 **this** state is permitted to defer interest payments due during a  
 21 calendar year under section 1202(b)(3) or (8) of the social  
 22 security act, 42 USC 1322, payment of the solvency tax may likewise  
 23 be deferred by an employer and paid in installments in a manner  
 24 prescribed by the ~~commission~~**unemployment insurance agency**. If a  
 25 deferral of interest payment is subsequently disallowed by the  
 26 United States ~~department of labor~~**Department of Labor**, either  
 27 prospectively or retroactively, amounts of solvency taxes deferred  
 28 under this section ~~shall~~ become immediately due and payable.  
 29 Further, if the ~~commission~~**unemployment insurance agency** estimates



1 that the solvency taxes to be collected by September 30 of the  
 2 calendar year will be insufficient to meet the interest obligations  
 3 due during that calendar year, the percentages of amounts of  
 4 solvency taxes deferred in any year ~~shall~~**must** be reduced by the  
 5 ~~commission~~**unemployment insurance agency** in an amount sufficient to  
 6 meet the interest obligations due in that calendar year.

7 Furthermore, if the amount of solvency taxes to be collected by the  
 8 time the federal interest obligations are due in any year are  
 9 insufficient to meet the obligations when due, the ~~commission~~  
 10 **unemployment insurance agency** shall recommend to the legislature  
 11 that it appropriate an amount sufficient to meet the interest  
 12 obligations due. Any amount so appropriated and used to pay federal  
 13 interest obligations, and interest due on such state appropriation,  
 14 if any, ~~shall~~**must** be repaid to ~~the~~**this** state as soon as possible  
 15 from the solvency tax revenues in the contingent fund.

16 (4) Amounts obtained pursuant to this section ~~shall~~**must** be  
 17 paid into the contingent fund created under section 10 and, except  
 18 for solvency taxes transferred to the unemployment compensation  
 19 fund as provided in this subsection, ~~shall~~**must** not be credited to  
 20 the employer's experience account. Amounts collected from solvency  
 21 taxes which are transferred to the unemployment compensation fund  
 22 and used to repay federal advances to the unemployment compensation  
 23 fund ~~shall~~**must** be credited to the employers' experience accounts  
 24 by June 30 of the year following the calendar year in which the  
 25 transfer occurred. The amount to be credited to an employer's  
 26 account ~~shall~~**must** be determined by the ~~commission~~**unemployment**  
 27 **insurance agency**, but ~~shall~~**must** reasonably reflect each employer's  
 28 pro rata share of the amount transferred. Past due payments of the  
 29 solvency tax ~~shall be~~**are** subject to the interest, penalty,



1 assessment, and collection provisions of section 15. Interest and  
 2 penalties collected ~~shall~~**must** be paid into the contingent fund.  
 3 Adjustments and refunds of erroneously collected solvency taxes  
 4 ~~shall~~**must** be made in accordance with section 16. Solvency tax  
 5 determinations are appealable under the appeal process provided for  
 6 review and appeal of determinations under this act.

7 (5) If any provision of this section prevents ~~the~~**this** state  
 8 from qualifying for any federal interest relief provisions provided  
 9 under section 1202 of the social security act, 42 USC 1322, or  
 10 prevents employers in this state from qualifying for the limitation  
 11 on the reduction of federal unemployment tax act credits as  
 12 provided under section 3302(f) of the federal unemployment tax act,  
 13 26 USC ~~3302(f)~~, **3302**, that provision is invalid to the extent  
 14 necessary to maintain qualification for the interest relief  
 15 provisions and federal unemployment tax credits.

16 (6) Notwithstanding any other provision of this section, if  
 17 interest due during a calendar year on federal advances is forgiven  
 18 or postponed under federal law and is no longer due during that  
 19 calendar year, ~~no~~**a** solvency tax ~~shall~~**must not** be assessed against  
 20 an employer for that calendar year and any solvency tax already  
 21 assessed and collected against an employer before the forgiveness  
 22 or postponement of the interest for that calendar year ~~shall~~**must**  
 23 be credited to the employer's experience account.

24 Enacting section 1. Section 12a of the Michigan employment  
 25 security act, 1936 (Ex Sess) PA 1, MCL 421.12a, is repealed.

26 Enacting section 2. This amendatory act does not take effect  
 27 unless Senate Bill No. 40 of the 102nd Legislature is enacted into  
 28 law.

