

SENATE BILL NO. 700

November 06, 2025, Introduced by Senators CAMILLERI and CHERRY and referred to Committee on Labor.

A bill to amend 1936 (Ex Sess) PA 1, entitled
"Michigan employment security act,"
by amending section 62 (MCL 421.62), as amended by 2024 PA 238.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 62. (a) Subject to subsection (h), if the unemployment
2 insurance agency determines that an individual has obtained
3 benefits to which the individual is not entitled, or a subsequent
4 determination by the agency or a decision of an appellate authority
5 reverses a prior qualification for benefits, the agency may recover

1 a sum equal to the amount received plus interest ~~pursuant to~~ **in**
2 **accordance with** section 15(a) by 1 or more of the following
3 methods: deduction from benefits or wages payable to the
4 individual, payment by the individual in cash, or deduction from a
5 tax refund payable to the individual as provided under section 30a
6 of 1941 PA 122, MCL 205.30a. Deduction from benefits or wages
7 payable to the individual is limited to not more than 50% of each
8 payment due the claimant. ~~The~~ **Except as otherwise provided in this**
9 **subsection, the** unemployment insurance agency shall issue a
10 determination requiring restitution ~~within~~ **not later than** 3 years
11 after the date of finality of a determination, redetermination, or
12 decision reversing a previous finding of benefit entitlement.
13 ~~Except in the case of~~ **for** benefits improperly paid because of
14 suspected identity fraud, **and except as otherwise provided in this**
15 **subsection,** the unemployment insurance agency shall not initiate
16 administrative or court action to recover improperly paid benefits
17 from an individual more than 3 years after the date that the last
18 determination, redetermination, or decision establishing
19 restitution is final. ~~Except in the case of~~ **for** benefits improperly
20 paid because of suspected identity fraud, **and except as otherwise**
21 **provided under this subsection,** the unemployment insurance agency
22 shall issue a restitution determination on an issue ~~within~~ **not**
23 **later than** 3 years ~~from~~ **after** the date the claimant first received
24 benefits in the benefit year in which the issue arose, or ~~in the~~
25 ~~case of~~ **for** an issue of intentional false statement,
26 misrepresentation, or concealment of material information in
27 violation of section 54(a) or (b) or sections 54a to 54c, ~~within~~
28 **not later than** 3 years after the receipt of the improperly paid
29 benefits unless the unemployment insurance agency filed a civil

1 action in a court within the 3-year period; the individual made an
2 intentional false statement, misrepresentation, or concealment of
3 material information to obtain the benefits; or the unemployment
4 insurance agency issued a determination requiring restitution
5 within the 3-year period. ~~The~~ **Except as otherwise provided under**
6 **this subsection, the** time limits in this section do not prohibit
7 the unemployment insurance agency from pursuing collection methods
8 to recover the amounts found to have been improperly paid. **For**
9 **claims for benefits made on or after the effective date of the**
10 **amendatory act that added this sentence, the unemployment insurance**
11 **agency shall not seek to recover an improperly paid benefit 3 or**
12 **more years after the date on which the improperly paid benefit was**
13 **paid.** Except ~~in a case of~~ **for** an intentional false statement,
14 misrepresentation, or concealment of material information, the
15 unemployment insurance agency shall waive recovery of an improperly
16 paid benefit if repayment would be contrary to equity and good
17 conscience and shall waive any interest. As used in this
18 subsection, "contrary to equity and good conscience" means any of
19 the following:

20 (i) The claimant provided incorrect wage information without
21 the intent to misrepresent, and the employer provided either no
22 wage information upon request or provided inaccurate wage
23 information that resulted in the overpayment. A waiver granted
24 under the conditions described in this subdivision applies from 30
25 days after the incorrect wage information was first reported to the
26 unemployment insurance agency.

27 (ii) The claimant's average net household income and household
28 cash assets, exclusive of social welfare benefits and unemployment
29 insurance benefits, were, during the 6 months immediately preceding

1 the date of the application for waiver, at or below 150% of the
2 annual update of the poverty guidelines most recently published in
3 the Federal Register by the United States Department of Health and
4 Human Services under the authority of 42 USC 9902(2), and the
5 claimant has applied for a waiver under this subsection. The
6 unemployment insurance agency shall not consider more than 3
7 additional hardship waiver applications from a claimant in a
8 calendar year after receiving an application for a waiver from the
9 claimant. A claimant may not file a new hardship waiver application
10 until a determination, redetermination, administrative decision, or
11 judicial decision regarding the initial application for waiver is
12 final. A waiver granted under the conditions described in this
13 subdivision applies from the date the application is filed. If the
14 waiver is granted, the unemployment insurance agency shall promptly
15 refund any restitution or interest payments made by the individual
16 after the date of the application for waiver. The unemployment
17 insurance agency shall not deny or refuse to consider an
18 application for a waiver of restitution submitted by a claimant for
19 any matter that has received a final adjudication solely because
20 the claimant has a pending appeal of 1 or more matters that
21 generated the overpayment under consideration to be waived. As used
22 in this subdivision:

23 (A) "Cash assets" means cash in excess of \$100,000.00 in a
24 checking or savings account, not including wages reported during
25 that period.

26 (B) "Dependent" means that term as defined in section
27 27(b)(4).

28 (C) "Household" means a claimant and the claimant's
29 dependents.

1 (iii) ~~The improper payments resulted from~~ **improperly paid**
2 **benefits are the result of** an administrative or clerical error **made**
3 by the unemployment **insurance** agency. A requirement to repay
4 benefits as the result of a change in judgment at any level of
5 administrative adjudication or court decision concerning the facts
6 or application of law to a claim adjudication is not an
7 administrative or clerical error for purposes of this subdivision.
8 A waiver granted under the conditions described in this subdivision
9 applies from the date that the administrative or clerical error
10 occurred. If the date the error occurred cannot be determined, the
11 waiver applies from the first day of the first week that the
12 improper payments for which the waiver is being sought began.
13 **Except for claims in which a final determination is made that**
14 **benefits were improperly paid because of fraud or identity fraud,**
15 **if the improperly paid benefit was paid after February 7, 2020 but**
16 **before September 5, 2021, the improperly paid benefit is considered**
17 **to be the result of an administrative or clerical error made by the**
18 **unemployment insurance agency under this subdivision.**

19 (b) If the unemployment insurance agency determines that a
20 claimant has intentionally made a false statement or
21 misrepresentation or has concealed material information to obtain
22 benefits, whether or not the claimant obtains benefits by or
23 because of the intentional false statement, misrepresentation, or
24 concealment of material information, the unemployment insurance
25 agency shall, in addition to any other applicable interest and
26 penalties, cancel the claimant's rights to benefits for the benefit
27 year in which the act occurred as of the date the claimant made the
28 false statement or misrepresentation or concealed material
29 information, and shall not use wages used to establish that benefit

1 year to establish another benefit year. A chargeable employer may
2 protest a claim filed after October 1, 2014 to establish a
3 successive benefit year under section 46(c), if there was a
4 determination by the unemployment insurance agency or decision of a
5 court or administrative tribunal finding that the claimant made a
6 false statement, made a misrepresentation, or concealed material
7 information related to the claimant's report of earnings for a
8 preceding benefit year claim. If a protest is made, the
9 unemployment insurance agency shall not use any unreported earnings
10 from the preceding benefit year that were falsely stated,
11 misrepresented, or concealed to establish a benefit year for a
12 successive claim. Before receiving benefits in a benefit year
13 established ~~within~~ **not later than** 4 years after cancellation of
14 rights to benefits under this subsection, the claimant, in addition
15 to making the restitution of benefits established under subsection
16 (a), may be liable for an additional amount as otherwise determined
17 by the unemployment insurance agency under this act, which may be
18 paid by cash, deduction from benefits, or deduction from a tax
19 refund. The claimant is liable for any fee the federal government
20 imposes with respect to instituting a deduction from a federal tax
21 refund. Restitution resulting from the intentional false statement,
22 misrepresentation, or concealment of material information is not
23 subject to the 50% limitation provided in subsection (a).

24 (c) Any determination made by the unemployment insurance
25 agency under this section is final unless an application for a
26 redetermination is filed in accordance with section 32a.

27 (d) The unemployment insurance agency shall take the action
28 necessary to recover all benefits improperly obtained or paid under
29 this act, and to enforce all interest and penalties under

1 subsection (b). The unemployment insurance agency may conduct an
2 amnesty program for a designated period under which penalties and
3 interest assessed against an individual owing restitution for
4 improperly paid benefits may be waived if the individual pays the
5 full amount of restitution owing within the period specified by the
6 agency.

7 (e) Interest recovered under this section must be deposited in
8 the contingent fund.

9 (f) The unemployment insurance agency shall not make a
10 determination that a claimant made an intentional false statement,
11 misrepresentation, or concealment of material information that is
12 subject to sanctions under this section based solely on a computer-
13 identified discrepancy in information supplied by the claimant or
14 employer. An unemployment insurance agency employee or agent must
15 examine the facts and independently determine that the claimant or
16 the employer is responsible for a willful or intentional violation
17 before the agency makes a determination under this section.

18 (g) By January 31 each year, ~~beginning in 2019,~~ the
19 unemployment insurance agency shall provide a written report
20 regarding waivers under subsection (a) (ii) to the chairpersons of
21 the standing committees and the appropriations subcommittees of the
22 house of representatives and senate having jurisdiction over
23 legislation pertaining to employment security. The report must
24 include all of the following information from the immediately
25 preceding calendar year in a form that does not identify an
26 individual, claimant, or employer:

27 (i) The procedures relating to waivers that the unemployment
28 insurance agency used or adopted.

29 (ii) The number of applications for a waiver the unemployment

1 insurance agency received.

2 (iii) The number of individuals who submitted an application for
3 a waiver.

4 (iv) The number of waivers that were granted by each of the
5 following methods:

6 (A) An unemployment insurance agency determination.

7 (B) An unemployment insurance agency redetermination.

8 (C) An administrative law judge order.

9 (D) A Michigan compensation appellate commission order.

10 (E) A court order.

11 (v) The number of waivers that were denied, tabulated by the
12 reason for the denial, by each of the following methods:

13 (A) An unemployment insurance agency determination.

14 (B) An unemployment insurance agency redetermination.

15 (C) An administrative law judge order.

16 (D) A Michigan compensation appellate commission order.

17 (E) A court order.

18 (vi) The total amount of restitution waived.

19 (h) The unemployment insurance agency shall not initiate
20 recovery of improperly paid benefits under subsection (a) until the
21 unemployment insurance agency has reviewed the claim for
22 eligibility to receive a waiver under subsection (a) (i) and (iii) to
23 which the claimant may be entitled and issued a notice to the
24 claimant that includes all of the following information:

25 (i) A determination of eligibility for each waiver for which
26 eligibility was considered or, if a determination could not be
27 reached, the information the unemployment insurance agency needs to
28 make a determination.

29 (ii) The consequences of each determination on the claimant's

1 benefit rights and any overpayment owed, including the issue or
2 matter generating the overpayment and the weeks of benefits
3 affected.

4 (iii) The claimant's protest and appeal rights with respect to
5 the determination or redetermination on the claimant's eligibility
6 for a waiver and the underlying determination or redetermination
7 that generated the overpayment.