

**SUBSTITUTE FOR  
SENATE BILL NO. 806**

A bill to amend 1936 (Ex Sess) PA 1, entitled  
"Michigan employment security act,"  
by amending sections 6a, 10, 11, 13, 13m, 15, 17, 19, 19a, 20,  
21, 27, 28, 29, 32a, 32b, 33, 34, 37, 38, 42, 44, 46, 48, 50, 54,  
62, and 64 (MCL 421.6a, 421.10, 421.11, 421.13, 421.13m, 421.15,  
421.17, 421.19, 421.19a, 421.20, 421.21, 421.27, 421.28, 421.29,  
421.32a, 421.32b, 421.33, 421.34, 421.37, 421.38, 421.42, 421.44,  
421.46, 421.48, 421.50, 421.54, 421.62, and 421.64), section 6a  
as amended by 1992 PA 204, sections 10, 15, 54, 62, and 64 as  
amended by 2011 PA 14, sections 11 and 19a as amended by 2009 PA  
1, section 13 as amended by 1985 PA 197, section 13m as added by  
2010 PA 383, section 17 as amended by 2009 PA 18, section 19 as  
amended by 2007 PA 188, section 20 as amended by 2009 PA 20,  
sections 21, 33, and 34 as amended by 1983 PA 164, section 27 as  
amended by 2011 PA 216, section 28 as amended by 1994 PA 422,

section 29 as amended by 2008 PA 480, sections 32a and 38 as amended by 1996 PA 503, section 32b as added and sections 44 and 48 as amended by 2002 PA 192, and sections 46 and 50 as amended by 1995 PA 25, and by adding sections 15a, 42a, and 48a; and to repeal acts and parts of acts.

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

1       Sec. 6a. ~~By resolution adopted by a majority of its members,~~  
2 ~~the commission~~ **THE UNEMPLOYMENT INSURANCE AGENCY** may destroy or  
3 dispose of a document ~~that has been retained in the commission~~  
4 ~~files for not less than 2 years and that in the commission's~~  
5 ~~opinion is of no value to the commission, and may authorize the~~  
6 ~~director to make or cause to be made a reproduction pursuant to~~  
7 ~~the records media act, or a summary or compilation, that he or~~  
8 ~~she considers advisable to preserve the information contained in~~  
9 ~~the document.~~ **AS SOON AS PRACTICABLE AFTER THE DOCUMENT HAS BEEN**  
10 **ELECTRONICALLY CAPTURED AND PRESERVED IN AN INFORMATION RETRIEVAL**  
11 **SYSTEM. ELECTRONICALLY STORED RECORDS SHALL BE RETAINED FOR THE**  
12 **SAME MINIMUM RETENTION PERIOD AS REQUIRED FOR THE ORIGINAL**  
13 **RECORD.** If an original document is destroyed or disposed of  
14 pursuant to this section, a reproduction of the document in a  
15 medium pursuant to the records media act, ~~a reproduction~~  
16 ~~consisting of a printout or other output readable by sight from~~  
17 ~~such a medium, or a summary or compilation of the document, if~~  
18 ~~certified by the director to be a true and accurate official~~  
19 ~~reproduction, compilation, or summary of the original~~  
20 **REPRODUCTION ACT, 1992 PA 116, MCL 24.401 TO 24.406, is**  
21 admissible in evidence the same as the original in any proceeding

1 before the commission, ~~referee, or appeal board~~ **ADMINISTRATIVE**  
2 **LAW JUDGE, OR MICHIGAN COMPENSATION APPELLATE COMMISSION** and in  
3 all courts. Information contained on printouts prepared by  
4 automatic data processing equipment is also admissible in  
5 evidence, if the original documents from which such information  
6 was obtained would have been admissible.

7       Sec. 10. (1) There is created in the department of treasury  
8 a special fund to be known and designated as the administration  
9 fund (Michigan employment security act). Any balances in the  
10 administration fund at the end of any fiscal year of this state  
11 shall be carried over as a part of the administration fund and  
12 shall not revert to the general fund of this state. Except as  
13 otherwise provided in subsection (3), all money deposited into  
14 the administration fund under this act shall be appropriated by  
15 the legislature to the unemployment agency to pay the expenses of  
16 the administration of this act.

17       (2) The administration fund shall be credited with all money  
18 appropriated to the fund by the legislature, all money received  
19 from the United States or any agency of the United States for  
20 that purpose, and all money received by this state for the fund.  
21 All money in the administration fund that is received from the  
22 federal government or any agency of the federal government or  
23 that is appropriated by this state for the purposes of this act,  
24 except money requisitioned from the account of this state in the  
25 unemployment trust fund pursuant to a specific appropriation made  
26 by the legislature in accordance with section 903(c)(2) of title  
27 IX of the social security act, 42 USC 1103(c)(2), and with

1 section 17(3)(f), shall be expended solely for the purposes and  
2 in the amounts found necessary by the appropriate agency of the  
3 United States and the legislature for the proper and efficient  
4 administration of this act.

5 (3) All money requisitioned from the account of this state  
6 in the unemployment trust fund pursuant to a specific  
7 appropriation made by the legislature in accordance with section  
8 903(c)(2) of title IX of the social security act, 42 USC  
9 1103(c)(2), and with section 17(3)(f), shall be deposited in the  
10 administration fund. Any money that remains unexpended at the  
11 close of the 2-year period beginning on the date of enactment of  
12 a specific appropriation shall be immediately redeposited with  
13 the secretary of the treasury of the United States to the credit  
14 of this state's account in the unemployment trust fund; or any  
15 money that for any reason cannot be expended or is not to be  
16 expended for the purpose for which appropriated before the close  
17 of this 2-year period shall be redeposited at the earliest  
18 practicable date.

19 (4) If any money received after June 30, 1941, from the  
20 appropriate agency of the United States under title III of the  
21 social security act, 42 USC 501 to 504, or any unencumbered  
22 balances in the administration fund (Michigan employment security  
23 act) as of that date, or any money granted after that date to  
24 this state under the Wagner-Peyser act, as defined in section 12,  
25 or any money made available by this state or its political  
26 subdivisions and matched by money granted to this state under the  
27 Wagner-Peyser act, is found by the appropriate agency of the

1 United States, because of any action or contingency, to have been  
2 lost or been expended for purposes other than, or in amounts in  
3 excess of, those found necessary by that agency of the United  
4 States for the proper administration of this act, the money shall  
5 be replaced by money appropriated for that purpose from the  
6 general funds of this state to the administration fund (Michigan  
7 employment security act) for expenditure as provided in this act.  
8 Upon receipt of notice of such a finding by the appropriate  
9 agency of the United States, the commission shall promptly report  
10 the amount required for replacement to the governor and the  
11 governor shall, at the earliest opportunity, submit to the  
12 legislature a request for the appropriation of that amount. This  
13 subsection shall not be construed to relieve this state of its  
14 obligation with respect to funds received prior to July 1, 1941,  
15 under the provisions of 42 USC 501 to 504.

16 (5) If any funds expended or disbursed by the commission are  
17 found by the appropriate agency of the United States to have been  
18 lost or expended for purposes other than, or in amounts in excess  
19 of, those found necessary by that agency of the United States for  
20 the proper administration of this act, and if these funds are  
21 replaced as provided in subsection (4) by money appropriated for  
22 that purpose from the general fund of this state, then the  
23 director who approved the expenditure or disbursement of those  
24 funds for those purposes or in those amounts, is liable to this  
25 state in an amount equal to the sum of money appropriated to  
26 replace those funds. ~~The director shall be required by the~~  
27 ~~governor to post a proper bond in a sum not less than \$25,000.00~~

~~1 to cover his or her liability as prescribed in this section, the~~  
~~2 cost of the bond to be paid from the general fund of this state.~~

3 (6) There is created in the department of treasury a  
4 separate fund to be known as the contingent fund (Michigan  
5 employment security act) into which shall be deposited all  
6 solvency taxes collected under section 19a and all interest on  
7 contributions, penalties, and damages collected under this act.  
8 Except as otherwise provided in subsections (8) and (9), all  
9 amounts in the contingent fund (Michigan employment security act)  
10 and all earnings on those amounts are continuously appropriated  
11 without regard to fiscal year for the administration of the  
12 unemployment agency and for the payment of interest on advances  
13 from the federal government to the unemployment compensation fund  
14 under 42 USC 1321, to be expended only if authorized by the  
15 unemployment agency. Money deposited from the solvency taxes  
16 collected under section 19a shall not be used for the  
17 administration of the unemployment agency, except for the  
18 repayment of loans from the state treasury and interest on loans  
19 made under section 19a(3). However, an authorization or  
20 expenditure shall not be made as a substitution for a grant of  
21 federal funds or for any portion of a grant that, in the absence  
22 of an authorization, would be available to the unemployment  
23 agency. Immediately upon receipt of administrative grants from  
24 the appropriate agency of the United States to cover  
25 administrative costs for which the unemployment agency has  
26 authorized and made expenditures from the contingent fund, those  
27 grants shall be transferred to the contingent fund to the extent

1 necessary to reimburse the contingent fund for the amount of  
2 those expenditures. Amounts needed to refund interest, damages,  
3 and penalties erroneously collected shall be withdrawn and  
4 expended for those purposes from the contingent fund upon order  
5 of the unemployment agency. Any amount authorized to be expended  
6 for administration under this section may be transferred to the  
7 administration fund. An amount not needed for the purpose for  
8 which authorized shall, upon order of the unemployment agency, be  
9 returned to the contingent fund. Amounts needed to refund

10 erroneously collected solvency taxes shall be withdrawn and  
11 expended for that purpose upon order of the unemployment agency.

12 ~~—— (7) There is created in the department of treasury~~  
13 ~~contingent fund a separate fund to be known as the special fraud~~  
14 ~~control fund (Michigan employment security act). The special~~  
15 ~~fraud control fund shall consist of money collected or received~~  
16 ~~by the unemployment agency as follows:~~

17 ~~—— (a) All interest and penalties collected under section 62.~~

18 ~~—— (b) All gifts to, interest on, or profits earned by the~~  
19 ~~special fraud control fund.~~

20 ~~—— (c) Amounts credited under section 54(k)(ii).~~

21 ~~—— (8) The money in the special fraud control fund is~~  
22 ~~continuously appropriated only to the unemployment agency and may~~  
23 ~~not be transferred or otherwise made available to any other state~~  
24 ~~agency.~~

25 ~~—— (9) All amounts in the special fraud control fund are to be~~  
26 ~~used first for the acquisition of packaged software that has a~~  
27 ~~proven record of success with the detection and collection of~~

~~1 unemployment benefit overpayments and then for administrative  
2 costs associated with the prevention, discovery, and collection  
3 of unemployment benefit overpayments, as included in the biennial  
4 budget of the unemployment agency and approved by the  
5 legislature. The unemployment agency shall submit a report to the  
6 clerk of the house of representatives and the secretary of the  
7 senate at the close of the 2 year period that begins on the  
8 effective date of the amendatory act that added this subsection,  
9 to show how the money from the special fraud control fund was  
10 used and the results obtained from the special fraud control  
11 fund. The department shall implement the initial detection and  
12 collection software package by September 1, 2011.~~

~~13 ——— (10) At the close of the state fiscal year in 2002 and each  
14 year after 2002, all funds in the contingent fund (Michigan  
15 employment security act) in excess of \$15,000,000.00 shall lapse  
16 to the unemployment trust fund.~~

17       Sec. 11. (a) In the administration of this act, the  
18 commission shall cooperate with the appropriate agency of the  
19 United States under the social security act. The commission shall  
20 make reports, in a form and containing information as the  
21 appropriate agency of the United States may require, and shall  
22 comply with the provisions that the appropriate agency of the  
23 United States prescribes to assure the correctness and  
24 verification of the reports. The commission, subject to this act,  
25 shall comply with the regulations prescribed by the appropriate  
26 agency of the United States relating to the receipt or  
27 expenditure of the sums that are allotted and paid to this state



1 for the purpose of assisting in the administration of this act.  
2 As used in this section, "social security act" means the social  
3 security act, chapter 531, 49 Stat. 620.

4 (b)(1) Information obtained from any employing unit or  
5 individual pursuant to the administration of this act and  
6 determinations as to the benefit rights of any individual are  
7 confidential and shall not be disclosed or open to public  
8 inspection other than to public employees and public officials in  
9 the performance of their official duties under this act and to  
10 agents or contractors of those public officials, including those  
11 described in subdivision (viii), in any manner that reveals the  
12 individual's or the employing unit's identity or any identifying  
13 particular about any individual or any past or present employing  
14 unit or that could foreseeably be combined with other publicly  
15 available information to reveal identifying particulars. However,  
16 all of the following apply:

17 (i) Information in the commission's possession that might  
18 affect a claim for worker's disability compensation under the  
19 worker's disability compensation act of 1969, 1969 PA 317, MCL  
20 418.101 to 418.941, shall be available to interested parties as  
21 defined in R 421.201 of the Michigan administrative code,  
22 regardless of whether the commission is a party to an action or  
23 proceeding arising under that act.

24 (ii) Any information in the commission's possession that may  
25 affect a claim for benefits or a charge to an employer's  
26 experience account shall be available to interested parties as  
27 defined in R 421.201 of the Michigan administrative code, and to

1 their agents, if their agents provide the unemployment insurance  
2 agency with a written authorization of representation from the  
3 party represented. A written authorization of representation is  
4 not required in any of the following circumstances:

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

8 (B) If the request is made by an elected official performing  
9 constituent services and the elected official presents reasonable  
10 evidence that the identified individual authorized the  
11 disclosure.

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

25 (iii) Except as provided in this act, the information and  
26 determinations shall not be used in any action or proceeding  
27 before any court or administrative tribunal unless the commission

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

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

13 (v) Subject to restrictions that the commission prescribes  
14 by rule, information in the commission's possession may be made  
15 available to any agency of this state, any other state, or any  
16 federal agency charged with the administration of an unemployment  
17 compensation law or the maintenance of a system of public  
18 employment offices; the bureau of internal revenue of the United  
19 States department of the treasury; the bureau of the census of  
20 the economics and statistics administration of the United States  
21 department of commerce; or the social security administration of  
22 the United States department of health and human services.

23 (vi) Information obtained in connection with the  
24 administration of ~~the employment service~~ **THIS ACT** may be made  
25 available to persons or agencies for purposes appropriate to the  
26 operation of a public employment service **OR UNEMPLOYMENT**  
27 **COMPENSATION PROGRAM**. Subject to restrictions that the commission

1 prescribes by rule, the commission may also make that information  
2 available to agencies of other states that are responsible for  
3 the administration of public assistance to unemployed workers; ~~7~~  
4 ~~and to the departments of this state;~~ **AND TO FEDERAL, STATE, AND**  
5 **LOCAL LAW ENFORCEMENT AGENCIES IN CONNECTION WITH A CRIMINAL**  
6 **INVESTIGATION INVOLVING THE HEALTH, SAFETY, OR WELFARE OF THE**  
7 **PUBLIC.** Information so released shall be used only for purposes  
8 not inconsistent with the purposes of this act. **THE INFORMATION**  
9 **SHALL ONLY BE RELEASED UPON ASSURANCE BY THE ENTITY RECEIVING THE**  
10 **INFORMATION THAT IT WILL REIMBURSE THE COST OF PROVIDING THE**  
11 **INFORMATION AND WILL NOT DISCLOSE THE INFORMATION EXCEPT TO THE**  
12 **INDIVIDUAL OR EMPLOYER THAT IS THE SUBJECT OF THE INFORMATION, AN**  
13 **ATTORNEY OR AGENT OF THE INDIVIDUAL OR EMPLOYER, OR A PROSECUTING**  
14 **AUTHORITY FOR OR ON BEHALF OF THE ENTITY RECEIVING THE**  
15 **INFORMATION.**

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

23 (viii) Subject to restrictions the commission prescribes, by  
24 rule or otherwise, the commission may also make information that  
25 it obtains available for use in connection with research projects  
26 of a public service nature to a college, university, or agency of  
27 this state that is acting as a contractor or agent of a public

1 official and conducting research that assists the public official  
2 in carrying out the duties of the office. A person associated  
3 with those institutions or agencies shall not disclose the  
4 information in any manner that would reveal the identity of any  
5 individual or employing unit from or concerning whom the  
6 information was obtained by the commission. The unemployment  
7 insurance agency shall enter into a written, enforceable  
8 agreement with the public official that holds the official  
9 responsible for ensuring that the agent or contractor maintains  
10 the confidentiality of the information. If the agreement is  
11 violated, the agreement shall be terminated and the public  
12 official may be subject to penalties equivalent to those that  
13 apply under section 54(f) to a person associated with a college,  
14 university, or public agency who discloses confidential  
15 information.

16 (ix) The commission may request the comptroller of the  
17 currency of the United States to cause an examination of the  
18 correctness of any return or report of any national banking  
19 association rendered under this act, and may, in connection with  
20 the request, transmit the report or return to the comptroller of  
21 the currency of the United States as provided in section 3305(c)  
22 of the internal revenue code of 1986, 26 USC 3305(c).

23 (2) The commission shall disclose to qualified requesting  
24 agencies, upon request, with respect to an identified individual,  
25 information in its records pertaining to the individual's name;  
26 social security number; gross wages paid during each quarter; the  
27 name, address, and federal and state employer identification

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

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

26       (ii) The medicaid program under title XIX of the social  
27 security act, 42 USC 1396 to 1396v.

1           (iii) The unemployment compensation program under section 3304  
2 of the internal revenue code of 1986, 26 USC 3304.

3           (iv) The food stamp program under the food stamp act of 1977,  
4 7 USC 2011 to 2036.

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

8           (vi) Any program administered under the social welfare act,  
9 1939 PA 280, MCL 400.1 to 400.119b.

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

23          The commission shall cooperate with the department of human  
24 services in establishing the computer data matching system  
25 authorized in section 83 of the social welfare act, 1939 PA 280,  
26 MCL 400.83, to transmit the information requested on at least a  
27 quarterly basis. The information shall not be released unless the

1 qualified requesting agency agrees to reimburse the commission  
2 for the costs incurred in furnishing the information.

3 In addition to the requirements of this section, except as  
4 later provided in this subdivision, all other requirements with  
5 respect to confidentiality of information obtained in the  
6 administration of this act apply to the use of the information by  
7 the officers and employees of the qualified requesting agencies,  
8 and the sanctions imposed under this act for improper disclosure  
9 of the information apply to those officers and employees. A

10 qualified requesting agency may redisclose information only to  
11 the individual who is the subject of the information, an attorney  
12 or other duly authorized agent representing the individual if the  
13 information is needed in connection with a claim for benefits  
14 against the requesting agency, or any criminal or civil  
15 prosecuting authority acting for or on behalf of the requesting  
16 agency.

17 The commission is authorized to enter into an agreement with  
18 any qualified requesting agency for the purposes described in  
19 this subdivision. The agreement or agreements shall comply with  
20 all federal laws and regulations applicable to such agreements.

21 (3) The commission shall enable the United States department  
22 of health and human services to obtain prompt access to any wage  
23 and unemployment benefit claims information, including any  
24 information that may be useful in locating an absent parent or an  
25 absent parent's employer, for purposes of section 453 of the  
26 social security act, 42 USC 653, in carrying out the child  
27 support enforcement program under title IV of the social security



1 act, 42 USC 601 to 679b. Access to the information shall not be  
2 provided unless the requesting agency agrees to reimburse the  
3 commission for the costs incurred in furnishing the information.

4 (4) Upon request accompanied by presentation of a consent to  
5 the release of information signed by an individual, the

6 commission shall disclose to the United States department of  
7 housing and urban development, ~~and any state or local public~~  
8 housing agency, **OR AN ENTITY CONTRACTING WITH A STATE OR LOCAL**  
9 **PUBLIC HOUSING AGENCY TO PROVIDE PUBLIC HOUSING, OR ANY OTHER**

10 **AGENCY** responsible for verifying an applicant's or participant's  
11 eligibility for, or level of benefits in, any housing assistance  
12 program administered by the United States department of housing  
13 and urban development, the name, address, wage information,  
14 whether an individual is receiving, has received, or has applied  
15 for unemployment benefits, and the amount of unemployment  
16 benefits the individual is receiving or is entitled to receive  
17 under this act. This information shall be used only to determine  
18 an individual's eligibility for benefits or the amount of  
19 benefits to which an individual is entitled under a housing  
20 assistance program of the United States department of housing and  
21 urban development. The information shall not be released unless  
22 the requesting agency agrees to reimburse the commission for the  
23 costs incurred in furnishing the information. For purposes of  
24 this subdivision, "public housing agency" means an agency  
25 described in section 3(b)(6) of the United States housing act of  
26 1937, 42 USC 1437a(b)(6).

27 (5) The commission may make available to the department of

1 treasury information collected for the income and eligibility  
2 verification system begun on October 1, 1988 for the purpose of  
3 detecting potential tax fraud in other areas.

4 (6) A recipient of confidential information under this act  
5 shall use the disclosed information only for purposes authorized  
6 by law and consistent with an agreement entered into with the  
7 unemployment insurance agency. The recipient shall not redisclose  
8 the information to any other individual or entity without the  
9 written permission of the unemployment insurance agency.

10 (c) The commission may enter into agreements with the  
11 appropriate agencies of other states or the federal government  
12 whereby potential rights to benefits accumulated under the  
13 unemployment compensation laws of other states or of the federal  
14 government, or both, may constitute the basis for the payment of  
15 benefits through a single appropriate agency under plans that the  
16 commission finds will be fair and reasonable to all affected  
17 interests and will not result in substantial loss to the  
18 unemployment compensation fund.

19 (d) (1) The commission may enter into reciprocal agreements  
20 with the appropriate agencies of other states or of the federal  
21 government adjusting the collection and payment of contributions  
22 by employers with respect to employment not localized within this  
23 state.

24 (2) The commission may enter into reciprocal agreements with  
25 agencies of other states administering unemployment compensation,  
26 whereby contributions paid by an employer to any other state may  
27 be received by the other state as an agent acting for and on

1 behalf of this state to the same extent as if the contributions  
2 had been paid directly to this state if the payment is remitted  
3 to this state. Contributions so received by another state shall  
4 be considered contributions, required and paid under this act as  
5 of the date the contributions were received by the other state.  
6 The commission may collect contributions in a like manner for  
7 agencies of other states administering unemployment compensation  
8 and remit the contributions to the agencies under the terms of  
9 the reciprocal agreements.

10 (e) The commission may make the state's records relating to  
11 the administration of this act available and may furnish to the  
12 railroad retirement board or any other state or federal agency  
13 administering an unemployment compensation law, at the expense of  
14 that board, state, or agency, copies of the records as the  
15 railroad retirement board considers necessary for its purpose.

16 (f) The commission may cooperate with or enter into  
17 agreements with any agency of another state or of the United  
18 States charged with the administration of any unemployment  
19 insurance or public employment service law.

20 The commission may investigate, secure, and transmit  
21 information, make available services and facilities, and exercise  
22 other powers provided in this act with respect to the  
23 administration of this act as it considers necessary or  
24 appropriate to facilitate the administration of any unemployment  
25 compensation or public employment service law, and may accept and  
26 utilize information, services, and facilities made available to  
27 this state by the agency charged with the administration of any

1 other unemployment compensation or public employment service law.

2       On request of an agency that administers an employment  
3 security law of another state or foreign government and that has  
4 found, in accordance with that law, that a claimant is liable to  
5 repay benefits received under that law, the commission may  
6 collect the amount of the benefits from the claimant to be  
7 refunded to the agency.

8       In any case in which under this subsection a claimant is  
9 liable to repay any amount to the agency of another state or  
10 foreign government, the amount may be collected by civil action  
11 in the name of the commission acting as agent for the agency.  
12 Court costs shall be paid or guaranteed by the agency of that  
13 state.

14       To the extent permissible under the laws and constitution of  
15 the United States, the commission may enter into or cooperate in  
16 arrangements whereby facilities and services provided under this  
17 act and facilities and services provided under the unemployment  
18 compensation law of Canada may be utilized for the taking of  
19 claims and the payment of benefits under the unemployment  
20 compensation law of this state or under a similar law of Canada.

21       Any employer who is not a resident of this state and who  
22 exercises the privilege of having 1 or more individuals perform  
23 service for him or her within this state, and any resident  
24 employer who exercises that privilege and thereafter leaves this  
25 state, is considered to have appointed the secretary of state as  
26 his or her agent and attorney for the acceptance of process in  
27 any civil action under this act. In instituting the action, the

1 commission shall cause process or notice to be filed with the  
2 secretary of state, and the service shall be sufficient and shall  
3 be of the same force and validity as if served upon the  
4 nonresident or absent employer personally within this state. The  
5 commission immediately shall send notice of the service of  
6 process or notice, together with a copy thereof, by certified  
7 mail, return receipt requested, to the employer at his or her  
8 last known address. The return receipt, the commission's  
9 affidavit of compliance with this section, and a copy of the  
10 notice of service shall be attached to the original of the  
11 process filed in the court in which the civil action is pending.

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

16       The attorney general may commence action in the appropriate  
17 court of any other state or any other jurisdiction of the United  
18 States by and in the name of the commission to collect  
19 unemployment compensation contributions, penalties, and interest  
20 finally determined, redetermined, or decided under this act to be  
21 legally due this state. The officials of other states that extend  
22 a like comity to this state may sue in the courts of this state  
23 for the collection of unemployment compensation contributions,  
24 penalties, and interest, the liability for which has been  
25 similarly established under the laws of the other state or  
26 jurisdiction. A certificate by the secretary of another state  
27 under the great seal of that state attesting the authority of the

1 official or officials to collect unemployment compensation  
2 contributions, penalties, and interest is conclusive evidence of  
3 that authority.

4       The attorney general may commence action in this state as  
5 agent for or on behalf of any other state to enforce judgments  
6 and established liabilities for unemployment compensation taxes  
7 or contributions, penalties, and interest due the other state if  
8 the other state extends a like comity to this state.

9       (g) The commission may also enter into reciprocal agreements  
10 with the appropriate and authorized agencies of other states or  
11 of the federal government whereby remuneration and services that  
12 determine entitlement to benefits under the unemployment  
13 compensation law of another state or of the federal government  
14 are considered wages and employment for the purposes of sections  
15 27 and 46, if the other state agency or agency of the federal  
16 government has agreed to reimburse the fund for that portion of  
17 benefits paid under this act upon the basis of the remuneration  
18 and services as the commission finds will be fair and reasonable  
19 as to all affected interests. A reciprocal agreement may provide  
20 that wages and employment that determine entitlement to benefits  
21 under this act are considered wages or services on the basis of  
22 which unemployment compensation under the law of another state or  
23 of the federal government is payable; may provide that services  
24 performed by an individual for a single employing unit for which  
25 services are customarily performed by the individual in more than  
26 1 state are considered services performed entirely within any 1  
27 of the states in which any part of the individual's service is

1 performed, in which the individual has his or her residence, or  
2 in which the employing unit maintains a place of business, if  
3 there is in effect as to those services, an election approved by  
4 the agency charged with the administration of the state's  
5 unemployment compensation law, under which all the services  
6 performed by the individual for the employing unit are considered  
7 to be performed entirely within the state; and may provide that  
8 the commission will reimburse other state or federal agencies  
9 charged with the administration of unemployment compensation laws  
10 with such reasonable portion of benefits, paid under the law of  
11 any other state or of the federal government upon the basis of  
12 employment and wages, as the commission finds will be fair and  
13 reasonable as to all affected interests. Reimbursements payable  
14 under this subsection are considered benefits for the purpose of  
15 limiting duration of benefits and for the purposes of sections  
16 20(a) and 26, and the payments shall be charged to the  
17 contributing employer's experience account for the purposes of  
18 sections 17, 18, 19, and 20, or the reimbursing employer's  
19 account under section 13c, 13g, 13i, or 13l, as applicable.  
20 Benefits paid under a combined wage plan shall be allocated and  
21 charged to each employer involved in the quarter in which the  
22 paying state requires reimbursement. Benefits charged to this  
23 state shall be allocated to each employer of this state who has  
24 employed the claimant during the base period of the paying state  
25 in the same ratio that the wages earned by the claimant during  
26 the base period of the paying state in the employ of the employer  
27 bears to the total amount of wages earned by the claimant in the

1 base period of the paying state in the employ of all employers of  
2 the state. The commission is authorized to make to other state or  
3 federal agencies and receive from other state or federal agencies  
4 reimbursements from or to the fund, in accordance with  
5 arrangements made under this section.

6 (h) The commission may enter into any agreement necessary to  
7 cooperate with any agency of the United States charged with the  
8 administration of any program for the payment of primary or  
9 supplemental benefits to individuals recently discharged from the  
10 military services of the United States, and to assist in the  
11 establishing of eligibility and in the payments of benefits under  
12 those programs, and for those purposes may accept and administer  
13 funds made available by the federal government and may accept and  
14 exercise any delegated function under those programs. The  
15 commission shall not enter into any agreement providing for, or  
16 exercise any function connected with, the disbursement of the  
17 state's unemployment trust fund for purposes not authorized by  
18 this act.

19 (i) The commission may enter into agreements with the  
20 appropriate agency of the United States under which, in  
21 accordance with the laws of the United States, the commission, as  
22 agent of the United States or from funds provided by the United  
23 States, provides for the payment of unemployment compensation or  
24 unemployment allowances of any kind, including the payment of any  
25 benefits and allowances that are made available for manpower  
26 development, training, retraining, readjustment, and relocation.  
27 The commission may receive and disburse funds from the United



1 States or any appropriate agency of the United States in  
2 accordance with any such agreements.

3 If the federal enactment providing for unemployment  
4 compensation, training allowance, or relocation payments requires  
5 joint federal-state financing of such payments, the commission  
6 may participate in the programs by using funds appropriated by  
7 the legislature to the extent provided by the legislature for  
8 such programs.

9 (j) The commission shall participate in any arrangement that  
10 provides for the payment of compensation on the basis of  
11 combining an individual's wages and employment covered under this  
12 act with his or her wages and employment covered under the  
13 unemployment compensation laws of other states, if the  
14 arrangement is approved by the United States secretary of labor  
15 in consultation with the state unemployment compensation agencies  
16 as reasonably calculated to assure the prompt and full payment of  
17 compensation. An arrangement shall include provisions for both of  
18 the following:

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

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

24 (k) In a proceeding before any court, the commission and the  
25 state shall be represented by the attorney general of this state  
26 or attorneys designated by the attorney general. Only the  
27 attorney general or other attorneys designated by the attorney

1 general shall act as legal counsel for the commission.

2       Sec. 13. (1) Each employer subject to this act shall pay to  
3 the ~~commission~~**UNEMPLOYMENT AGENCY** a tax in the form of payments  
4 in lieu of contributions where the employer is liable for those  
5 payments, or tax contributions equal to a standard rate of 2.7%  
6 for calendar years before 1985 and 5.4% for calendar year 1985  
7 and thereafter, subject to an adjustment in rate of contributions  
8 as provided in section 19. The contributions shall become due and  
9 be paid to the ~~commission~~**UNEMPLOYMENT AGENCY**, for the  
10 unemployment compensation fund, by each employer semiannually or  
11 for shorter periods of not less than 28 days, as the ~~commission~~  
12 **UNEMPLOYMENT AGENCY** may by rule prescribe. **CONTRIBUTIONS DUE AND**  
13 **PAYABLE FROM AN EMPLOYER THAT IS LIABLE UNDER THIS ACT SOLELY ON**  
14 **THE BASIS OF THE PAYMENT OF WAGES FOR DOMESTIC SERVICE MAY BE**  
15 **PAID ANNUALLY ON THE DATE SPECIFIED BY THE UNEMPLOYMENT AGENCY.**  
16 **CONTRIBUTIONS, AND PAYMENTS IN LIEU OF CONTRIBUTIONS, SHALL BE**  
17 **CREDITED FIRST TO PENALTY; THEN TO INTEREST; AND THEN TO**  
18 **PRINCIPAL, UNPAID AND OWING IN THE OLDEST CALENDAR QUARTER AND**  
19 **PROGRESSING EACH QUARTER TO THE MOST RECENT QUARTER.** An  
20 employer's contribution shall not be deducted directly or  
21 indirectly, in whole or in part, from wages of individuals in his  
22 or her employ. ~~In the payment of contributions, a fractional part~~  
23 ~~of a cent shall be disregarded unless it amounts to 1/2 cent or~~  
24 ~~more, in which case it shall be increased to 1 cent.~~ **A**  
25 **CONTRIBUTION PAYMENT AMOUNT THAT IS NOT AN EVEN DOLLAR AMOUNT**  
26 **SHALL BE CREDITED TO THE ACCOUNT OF THE EMPLOYER IN AN AMOUNT**  
27 **EQUAL TO THE NEXT LOWER DOLLAR AMOUNT IF UNDER 50 CENTS AND IN AN**

1 AMOUNT EQUAL TO THE NEXT HIGHER DOLLAR AMOUNT IF 50 CENTS OR  
2 MORE. The ~~commission~~ **UNEMPLOYMENT AGENCY** may prescribe by rule  
3 the details of the computation and payment of contributions.  
4 Every employing unit shall file with the ~~commission~~ **UNEMPLOYMENT**  
5 **AGENCY** periodic reports on forms and at a time ~~as the commission~~  
6 ~~shall prescribe~~ **THE UNEMPLOYMENT AGENCY PRESCRIBES** to disclose  
7 liability for contributions under this act. Each employing unit  
8 shall keep records, including wage and employment records, and  
9 shall, within prescribed time limits, submit or provide reports,  
10 including wage and employment reports, to the ~~commission~~  
11 **UNEMPLOYMENT AGENCY** or to the employing unit's employees or  
12 former employees as the ~~commission may by rule prescribe as~~  
13 ~~necessary to carry out this act.~~ **UNEMPLOYMENT AGENCY PRESCRIBES BY**  
14 **RULE.**

15 (2) Beginning with the first quarter of 1986, each employer  
16 shall file a quarterly wage report with the ~~commission,~~  
17 **UNEMPLOYMENT AGENCY**, on forms and at a time as the ~~commission~~  
18 ~~shall prescribe,~~ **UNEMPLOYMENT AGENCY PRESCRIBES**, which shall  
19 include for each of the employer's employees the employee's name,  
20 social security number, gross wages paid during each quarter, and  
21 the name, address, and federal and state employer identification  
22 number of the individual's employer. **IF THE UNEMPLOYMENT AGENCY**  
23 **DISCOVERS AN ERROR IN A REPORT FILED TIMELY, THE UNEMPLOYMENT**  
24 **AGENCY SHALL PROVIDE WRITTEN NOTIFICATION TO THE EMPLOYER OF THE**  
25 **ERROR. IF THE EMPLOYER PROVIDES CORRECTED INFORMATION WITHIN 14**  
26 **DAYS OF THE NOTIFICATION, THE ADMINISTRATIVE FINE PROVIDED IN**  
27 **SECTION 54 FOR A LATE, INCOMPLETE, OR ERRONEOUS REPORT SHALL NOT**

1 APPLY. AN EMPLOYER HAVING MORE THAN 25 EMPLOYEES ON JANUARY 1,  
2 2013 SHALL FILE QUARTERLY REPORTS BEGINNING WITH THE REPORT FOR  
3 THE FIRST QUARTER OF 2013 BY AN ELECTRONIC METHOD APPROVED BY THE  
4 UNEMPLOYMENT AGENCY. AN EMPLOYER HAVING MORE THAN 5 BUT FEWER  
5 THAN 26 EMPLOYEES ON JANUARY 1, 2013 SHALL FILE QUARTERLY REPORTS  
6 BEGINNING WITH THE REPORT FOR THE FIRST QUARTER OF 2014 BY AN  
7 ELECTRONIC METHOD APPROVED BY THE UNEMPLOYMENT AGENCY. AN  
8 EMPLOYER HAVING 5 OR FEWER EMPLOYEES ON JANUARY 1, 2013 SHALL  
9 FILE QUARTERLY REPORTS BEGINNING WITH THE REPORT FOR THE FIRST  
10 QUARTER OF 2015 BY AN ELECTRONIC METHOD APPROVED BY THE  
11 UNEMPLOYMENT AGENCY, EXCEPT THAT THE DIRECTOR OF THE UNEMPLOYMENT  
12 AGENCY, UPON APPLICATION BY THE EMPLOYER, MAY GRANT ADDITIONAL  
13 TIME FOR THE EMPLOYER TO COMPLY WITH THE ELECTRONIC FILING METHOD  
14 IF THE DIRECTOR CONCLUDES THAT SATISFYING THE REQUIREMENT OF  
15 ELECTRONIC FILING WILL CAUSE ECONOMIC HARDSHIP FOR THE EMPLOYER.  
16 THE EMPLOYER SHALL PROVIDE, AND THE DIRECTOR SHALL CONSIDER,  
17 INFORMATION ABOUT THE EMPLOYER'S ANTICIPATED COST EXPENDITURE FOR  
18 PREPARING FOR ELECTRONIC FILING AND ABOUT THE EMPLOYER'S ANNUAL  
19 INCOME. AN EMPLOYER THAT COMPLIES WITH THE REPORTING REQUIREMENTS  
20 OF THIS SUBSECTION BY FILING ELECTRONICALLY A QUARTERLY WAGE  
21 REPORT USING A METHOD APPROVED BY THE UNEMPLOYMENT AGENCY IS NOT  
22 REQUIRED TO FILE PERIODICALLY TO DISCLOSE CONTRIBUTIONS UNDER  
23 THIS ACT.

24 (3) THE UNEMPLOYMENT AGENCY SHALL ALLOW A CONTRIBUTING  
25 EMPLOYER THAT EMPLOYED 25 OR FEWER INDIVIDUALS DURING THE PAY  
26 PERIOD THAT INCLUDES JANUARY 12, 2012, OR DURING THE  
27 CORRESPONDING PAY PERIOD IN EACH SUCCEEDING CALENDAR YEAR, AND

1 THAT INCURRED 50% OR MORE OF THE EMPLOYER'S TOTAL PREVIOUS YEAR'S  
2 CONTRIBUTION OBLIGATION IN THE FIRST QUARTER OF THAT YEAR TO  
3 DISCHARGE THE LIABILITY FOR CONTRIBUTIONS DUE IN THE NEXT  
4 SUCCEEDING YEAR THROUGH QUARTERLY PAYMENTS THAT DISTRIBUTE THE  
5 PAYMENT OF THE FIRST QUARTER'S OBLIGATION EQUALLY OVER THE 4  
6 QUARTERS IN THAT YEAR. TO AVOID INTEREST AND PENALTIES OTHERWISE  
7 APPLICABLE TO THOSE PAYMENTS, AN EMPLOYER MEETING THE  
8 REQUIREMENTS OF THIS SUBSECTION SHALL NOTIFY THE UNEMPLOYMENT  
9 AGENCY OF THE ELECTION TO MAKE APPORTIONED PAYMENTS WITH THE  
10 FIRST QUARTER'S PAYMENT AND TIMELY FILE EACH SUCCEEDING QUARTERLY  
11 PAYMENT IN THE AMOUNTS PRESCRIBED IN SECTION 15A. THIS SUBSECTION  
12 APPLIES TO CONTRIBUTIONS BEGINNING IN THE 2013 TAX YEAR.

13       Sec. 13m. (1) A professional employer organization that has  
14 not previously filed shall file a report with the agency in  
15 accordance with R 421.121 and R 421.190 of the Michigan  
16 administrative code for a determination of its status as a liable  
17 employing unit and employer under this act. A PEO determined to  
18 be a liable employer shall complete an electronic employer  
19 registration in the manner approved by the agency to register its  
20 employer liability.

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

24       (a) The PEO shall comply with all requirements of this act  
25 that apply to a contributing employer. The PEO shall file a  
26 single quarterly wage report and unemployment contribution report  
27 and pay contributions of its client employers based on the

1 account information of each client employer. The unemployment  
2 agency shall convert a reimbursing employer to a contributing  
3 employer beginning with the calendar quarter in which the  
4 employer becomes a client employer of a PEO. The PEO shall file  
5 reports required under R 421.121 of the Michigan administrative  
6 code and make contribution payments by electronic reporting and  
7 payment methods approved by the agency. The PEO shall notify the  
8 agency within 30 days after any employer becomes its client  
9 employer and within 30 days after any client employer  
10 discontinues its association with the PEO. All of the following  
11 apply to a rate calculation for client employers of the PEO:

12 (i) For a client employer that is a contributing employer and  
13 was a client employer of the PEO on the date that the PEO changed  
14 to the reporting method provided in this subdivision, the  
15 following rates apply:

16 (A) Except as provided in sub-subparagraphs (B) and (C), if  
17 the client employer reported no employees or no payroll to the  
18 agency for ~~8-12~~ or more quarters, the client employer's  
19 unemployment tax rate will be the new employer tax rate.

20 (B) If the client employer was a client employer of the PEO  
21 for less than ~~8-12~~ full calendar quarters, the client employer's  
22 unemployment tax rate will be based on the client employer's  
23 prior account and experience.

24 (C) If the client employer's account has been terminated for  
25 more than 1 year or if the client employer never previously  
26 registered with the agency, the client shall be separately  
27 registered using a method approved by the agency within 30 days

1 after the employer becomes a client employer of the PEO. The  
2 client employer shall be assigned the new employer unemployment  
3 tax rate.

4 (ii) A business entity that is a contributing employer and  
5 becomes a client employer of the PEO on or after January 1, 2011  
6 shall retain its existing unemployment tax rate or establish a  
7 new rate as provided in section 19.

8 (b) A PEO that is a liable employer and that was operating  
9 in this state before January 1, 2011 may elect and use the  
10 reporting method in subdivision (a) before January 1, 2014, but  
11 shall report using the method in subdivision (a) on and after  
12 January 1, 2014.

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

16 (4) A PEO that reports under subsection (2)(a) shall confirm  
17 the mailing address of the client employer, which may be stated  
18 as that of the PEO or of the client employer. The PEO shall  
19 disclose the business address of the client employer, which shall  
20 be the physical address of the client employer, to the agency.

21 (5) Either the PEO that reports under subsection (2)(a) or  
22 the PEO's client employers, but not both, shall file a quarterly  
23 wage detail report electronically, and shall file a quarterly  
24 contribution payment in a manner approved by the agency. **IF A**  
25 **CLIENT ENTITY OF A PEO LEASES SOME OF ITS EMPLOYEES FROM THE PEO**  
26 **BUT RETAINS THE REMAINDER OF ITS EMPLOYEES, THE LEASED EMPLOYEES**  
27 **SHALL BE REPORTED BY THE PEO UNDER THE CLIENT ENTITY'S**

1 UNEMPLOYMENT INSURANCE AGENCY ACCOUNT NUMBER AND THE RETAINED  
 2 EMPLOYEES SHALL BE REPORTED BY THE CLIENT ENTITY UNDER AN AGENCY-  
 3 ASSIGNED SUBACCOUNT NUMBER OF THE CLIENT ENTITY'S ACCOUNT NUMBER.

4 (6) The agency shall issue a FUTA certification in  
 5 accordance with the internal revenue code of 1986, 26 USC 1 to  
 6 9834, and regulations, rulings, instructions, and directives of  
 7 the internal revenue service.

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

11 (8) As used in this section, "professional employer  
 12 organization" or "PEO" means that term as defined in R  
 13 421.190(1)(d) of the Michigan administrative code.

14 Sec. 15. (a) Contributions unpaid on the date on which they  
 15 are due and payable, as prescribed by the ~~commission,~~

16 UNEMPLOYMENT AGENCY, AND UNPAID RESTITUTION OF BENEFIT

17 OVERPAYMENTS shall bear interest at the rate of 1% per month,  
 18 computed on a day-to-day basis for each day the delinquency is  
 19 unpaid, from and after that date until payment plus accrued  
 20 interest is received by the ~~commission~~ UNEMPLOYMENT AGENCY.

21 ~~Amounts illegally obtained or previously withheld from payment~~  
 22 ~~and damages that are recovered by the commission under section~~  
 23 ~~54(a) and (b) and sections 54a to 54c shall bear interest at the~~  
 24 ~~rate of 1% per month, computed on a day to day basis for each day~~  
 25 ~~the amounts remain unpaid until payment plus accrued interest is~~  
 26 ~~received by the commission.~~ The interest on unpaid contributions

27 AND ON UNPAID BENEFIT OVERPAYMENTS, exclusive of penalties, shall



1 not exceed 50% of the amount of contributions due at due date OR  
2 50% OF THE AMOUNT OF RESTITUTION OWING. NOTHING IN THIS ACT  
3 AUTHORIZES THE ASSESSMENT OR COLLECTION OF INTEREST ON A PENALTY  
4 IMPOSED UNDER THIS ACT. Interest and penalties collected pursuant  
5 to this section shall be paid into the contingent fund. ~~except~~  
6 ~~that interest and penalties collected under section 62 shall be~~  
7 ~~paid into the special fraud control fund. The commission~~  
8 **UNEMPLOYMENT AGENCY** may cancel any interest and any penalty when  
9 it is shown that the failure to pay on or before the last day on  
10 which the tax could have been paid without interest and penalty  
11 was not the result of negligence, intentional disregard of the  
12 rules of the ~~commission~~, **UNEMPLOYMENT AGENCY**, or fraud.

13 (b) The ~~commission~~ **UNEMPLOYMENT AGENCY** may make assessments  
14 against an employer, claimant, employee of the ~~commission~~,  
15 **UNEMPLOYMENT AGENCY**, or third party who fails to pay  
16 contributions, **RESTITUTION OF BENEFIT OVERPAYMENTS**, reimbursement  
17 payments in lieu of contributions, penalties, forfeitures, or  
18 interest as required by this act. The ~~commission~~ **UNEMPLOYMENT**  
19 **AGENCY** shall immediately notify the employer, claimant, employee  
20 of the ~~commission~~, **UNEMPLOYMENT AGENCY**, or third party of the  
21 assessment in writing by first-class mail. An assessment by the  
22 ~~commission~~ **UNEMPLOYMENT AGENCY** against a claimant, an employee of  
23 the ~~commission~~, **UNEMPLOYMENT AGENCY**, or a third party under this  
24 subsection shall be made only for penalties ~~and interest on those~~  
25 ~~penalties~~ for violations of section 54(a) or (b) or sections 54a  
26 to 54c. The assessment is a final determination unless the  
27 employer, claimant, employee of the ~~commission~~, **UNEMPLOYMENT**

1 **AGENCY**, or third party files with the ~~commission~~ **UNEMPLOYMENT**  
2 **AGENCY** an application for a redetermination of the assessment in  
3 accordance with section 32a. A review by the ~~commission~~  
4 **UNEMPLOYMENT AGENCY** or an appeal to a ~~referee~~ **AN ADMINISTRATIVE**  
5 **LAW JUDGE** or the ~~appeal board~~ **MICHIGAN COMPENSATION APPELLATE**  
6 **COMMISSION** on the assessment does not reopen a question  
7 concerning an employer's liability for contributions or  
8 reimbursement payments in lieu of contributions **OR A CLAIMANT'S**  
9 **ENTITLEMENT TO BENEFITS**, unless the **CLAIMANT OR** employer was not  
10 a party to the proceeding or decision where the basis for the  
11 assessment was determined. An employer may pay an assessment  
12 under protest and file an action to recover the amount paid as  
13 provided under subsection (d). Unless an assessment is paid  
14 within 15 days after it becomes final the ~~commission~~ **UNEMPLOYMENT**  
15 **AGENCY** may issue a warrant under its official seal for the  
16 collection of the assessed amount. The ~~commission~~ **UNEMPLOYMENT**  
17 **AGENCY** through its authorized employees, under a warrant issued,  
18 may **PLACE A LIEN ON ANY BANK ACCOUNT OF THE CLAIMANT OR EMPLOYER**  
19 **AND MAY** levy upon and sell the property of the employer that is  
20 used in connection with the employer's business, or that is  
21 subject to a notice to withhold, found within the state, for the  
22 payment of the amount of the contributions including penalties,  
23 interests, and the cost of executing the warrant. Property of the  
24 employer used in connection with the employer's business is not  
25 exempt from levy under the warrant. Wages subject to a notice to  
26 withhold are exempt to the extent the wages are exempt from  
27 garnishment under the laws of this state. The warrant shall be

1 returned to the ~~commission~~**UNEMPLOYMENT AGENCY** together with the  
2 money collected under the warrant within the time specified in  
3 the warrant which shall not be less than 20 or more than 90 days  
4 after the date of the warrant. The ~~commission~~**UNEMPLOYMENT AGENCY**  
5 shall proceed upon the warrant as prescribed by law in respect to  
6 executions issued against property upon judgments by a court of  
7 record. The state, through the ~~commission~~**UNEMPLOYMENT AGENCY** or  
8 some other officer or agent designated by it, may bid for and  
9 purchase property sold under the provisions of this subsection.  
10 If an employer, claimant, employee of the ~~commission~~,  
11 **UNEMPLOYMENT AGENCY**, or third party, as applicable, is delinquent  
12 in the payment of a contribution, reimbursement payment in lieu  
13 of contribution, penalty, forfeiture, or interest provided for in  
14 this act, the ~~commission~~**UNEMPLOYMENT AGENCY** may give notice of  
15 the amount of the delinquency served either personally or by  
16 mail, to a person or legal entity, including the state and its  
17 subdivisions, that has in its possession or under its control a  
18 credit or other intangible property belonging to the employer,  
19 claimant, employee of the ~~commission~~,**UNEMPLOYMENT AGENCY**, or  
20 third party, or who owes a debt to the employer, claimant,  
21 employee of the ~~commission~~,**UNEMPLOYMENT AGENCY**, or third party  
22 at the time of the receipt of the notice. A person or legal  
23 entity so notified shall not transfer or dispose of the credit,  
24 other intangible property, or debt without retaining an amount  
25 sufficient to pay the amount specified in the notice unless the  
26 unemployment agency consents to a transfer or disposition or 45  
27 days have elapsed from the receipt of the notice. A person or

1 legal entity so notified shall advise the unemployment agency  
2 within 5 days after receipt of the notice of a credit, other  
3 intangible property, or debt, which is in its possession, under  
4 its control, or owed by it. A person or legal entity that is  
5 notified and that transfers or disposes of credits or personal  
6 property in violation of this section is liable to the  
7 unemployment agency for the value of the property or the amount  
8 of the debts thus transferred or paid, but not more than the  
9 amount specified in the notice. An amount due a delinquent  
10 employer, claimant, employee of the unemployment agency, or third  
11 party subject to a notice to withhold shall be paid to the  
12 unemployment agency upon service upon the debtor of a warrant  
13 issued under this section.

14 (c) In addition to the mode of collection provided in  
15 subsection (b), if, after due notice, an employer defaults in  
16 payment of contributions or interest on the contributions, or a  
17 claimant, employee of the unemployment agency, or third party  
18 defaults in the payment of a penalty or interest on a penalty,  
19 the unemployment agency may bring an action at law in a court of  
20 competent jurisdiction to collect and recover the amount of a  
21 contribution, and any interest on the contribution, or the  
22 penalty or interest on the penalty, and in addition 10% of the  
23 amount of contributions or penalties found to be due, as damages.  
24 An employer, claimant, employee of the unemployment agency, or  
25 third party adjudged in default shall pay costs of the action. An  
26 action by the unemployment agency against a claimant, employee of  
27 the unemployment agency, or third party under this subsection

1 shall be brought only to recover penalties and interest on those  
2 penalties for violations of section 54(a) or (b) or sections 54a  
3 to 54c. Civil actions brought under this section shall be heard  
4 by the court at the earliest possible date. If a judgment is  
5 obtained against an employer for contributions and an execution  
6 on that judgment is returned unsatisfied, the employer may be  
7 enjoined from operating and doing business in this state until  
8 the judgment is satisfied. The circuit court of the county in  
9 which the judgment is docketed or the circuit court for the  
10 county of Ingham may grant an injunction upon the petition of the  
11 unemployment agency. A copy of the petition for injunction and a  
12 notice of when and where the court shall act on the petition  
13 shall be served on the employer at least 21 days before the court  
14 may grant the injunction.

15 (d) An employer or employing unit improperly charged or  
16 assessed contributions provided for under this act, or a  
17 claimant, employee of the unemployment agency, or third party  
18 improperly assessed a penalty under this act and who paid the  
19 contributions or penalty under protest within 30 days after the  
20 mailing of the notice of determination of assessment, may recover  
21 the amount improperly collected or paid, together with interest,  
22 in any proper action against the unemployment agency. The circuit  
23 court of the county in which the employer or employing unit or  
24 claimant, employee of the unemployment agency, or third party  
25 resides, or, in the case of an employer or employing unit, in  
26 which is located the principal office or place of business of the  
27 employer or employing unit, has original jurisdiction of an

1 action to recover contributions improperly paid or collected or a  
2 penalty improperly assessed whether or not the charge or  
3 assessment has been reviewed by the unemployment agency or heard  
4 or reviewed by ~~a referee~~ **AN ADMINISTRATIVE LAW JUDGE** or the  
5 ~~appeal board~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**. The  
6 court has no jurisdiction of the action unless written notice of  
7 claim is given to the unemployment agency at least 30 days before  
8 the institution of the action. In an action to recover  
9 contributions paid or collected or penalties assessed, the court  
10 shall allow costs it considers proper. Either party to the action  
11 has the right of appeal as is now provided by law in other civil  
12 actions. An action by a claimant, employee of the unemployment  
13 agency, or third party against the unemployment agency under this  
14 subsection shall be brought only to recover penalties and  
15 interest on those penalties improperly assessed by the  
16 unemployment agency under section 54(a) or (b) or sections 54a to  
17 54c. If a final judgment is rendered in favor of the plaintiff in  
18 an action to recover the amount of contributions illegally  
19 collected or charged, the treasurer of the unemployment agency,  
20 upon receipt of a certified copy of the final judgment, shall pay  
21 the amount of contributions illegally collected or charged or  
22 penalties assessed from the clearing account, and pay interest as  
23 allowed by the court, in an amount not to exceed the actual  
24 earnings of the contributions as found to have been illegally  
25 collected or charged, from the contingent fund.

26 (e) Except for liens and encumbrances recorded before the  
27 filing of the notice provided for in this section, all

1 contributions, interest, and penalties payable under this act to  
2 the unemployment agency from an employer, claimant, employee of  
3 the unemployment agency, or third party that neglects to pay the  
4 same when due are a first and prior lien upon all property and  
5 rights to property, real and personal, belonging to the employer,  
6 claimant, employee of the unemployment agency, or third party.

7 The lien continues until the liability for that amount or a  
8 judgment arising out of the liability is satisfied or becomes  
9 unenforceable by reason of lapse of time. The lien attaches to  
10 the property and rights to property of the employer, claimant,  
11 employee of the unemployment agency, or third party, whether real  
12 or personal, from and after the required filing date of the  
13 report upon which the specific tax is computed. Notice of the  
14 lien shall be recorded in the office of the register of deeds of  
15 the county in which the property subject to the lien is situated,  
16 and the register of deeds shall receive the notice for recording.

17 **NOTICE OF THE LIEN MAY ALSO BE FILED WITH THE SECRETARY OF STATE**  
18 **IN ACCORDANCE WITH THE STATE TAX LIEN REGISTRATION ACT, 1968 PA**  
19 **203, MCL 211.681 TO 211.687.** This subsection applies only to  
20 penalties and interest on those penalties assessed by the  
21 unemployment agency against a claimant, employee of the  
22 unemployment agency, or third party for violations of section  
23 54(a) or (b) or sections 54a to 54c.

24 If there is a distribution of an employer's assets pursuant  
25 to an order of a court under the laws of this state, including a  
26 receivership, assignment for benefit of creditors, adjudicated  
27 insolvency, composition, or similar proceedings, contributions

1 then or thereafter due shall be paid in full before all other  
2 claims except for wages and compensation under the worker's  
3 disability compensation act of 1969, 1969 PA 317, MCL 418.101 to  
4 418.941. In the distribution of estates of decedents, claims for  
5 funeral expenses and expenses of last sickness shall also be  
6 entitled to priority.

7 (f) An injunction shall not issue to stay proceedings for  
8 assessment or collection of contributions, or interest or penalty  
9 on contributions, levied and required by this act.

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



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

1 prevents the transfer of a rating account balance as provided in  
2 this act. The foregoing provisions are in addition to the  
3 remedies the unemployment agency 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 agency rules, but without intention to  
7 defraud, 5% of the total amount of the deficiency, in addition to  
8 the deficiency and all other interest charges and penalties  
9 provided herein, shall be assessed, collected, and paid in the  
10 same manner as a deficiency. If a part of a deficiency is  
11 determined in an action at law to be due to fraud with intent to  
12 avoid payment of contributions to the fund, then the judgment  
13 rendered shall include an amount equal to 50% of the total amount  
14 of the deficiency, in addition to the deficiency and all other  
15 interest charges and penalties provided herein.

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

1       (k) The rights respecting the collection of contributions  
2 and the levy of interest and penalties and damages made available  
3 to the unemployment agency by this section are additional to  
4 other powers and rights vested in the unemployment agency under  
5 other provisions of this act. The unemployment agency may  
6 exercise any of the collection remedies under this act even  
7 though an application for a redetermination or an appeal is  
8 pending final disposition.

9       (l) A person recording a lien under this section shall pay a  
10 fee of \$2.00 for recording a lien and a fee of \$2.00 for  
11 recording a discharge of a lien.

12       (M) IN ADDITION TO THE RESTITUTION RECOUPMENT METHODS IN  
13 SECTION 62, THE UNEMPLOYMENT AGENCY MAY OBTAIN RESTITUTION DUE  
14 FROM A CLAIMANT AS A RESULT OF A BENEFIT OVERPAYMENT THAT HAS  
15 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  
19 THE CLAIMANT.

20       (N) TO OBTAIN AN ADMINISTRATIVE GARNISHMENT, THE  
21 UNEMPLOYMENT AGENCY SHALL NOTIFY THE CLAIMANT OF BOTH OF THE  
22 FOLLOWING: THE INTENTION TO ISSUE AN ADMINISTRATIVE GARNISHMENT  
23 ON THE CLAIMANT'S EMPLOYER AND THE AMOUNT DETERMINED TO BE DUE  
24 FROM THE CLAIMANT. THE NOTICE SHALL INCLUDE A DEMAND FOR  
25 IMMEDIATE PAYMENT OF THE AMOUNT DUE, A STATEMENT THAT IT IS NOT  
26 SUBJECT TO APPEAL, AND A STATEMENT THAT THE CLAIMANT MAY, WITHIN  
27 30 DAYS OF THE ISSUANCE OF THE NOTICE, OBJECT TO THE GARNISHMENT

1 BY PROVIDING INFORMATION TO THE AGENCY, WITH SUPPORTING  
2 DOCUMENTATION, THAT THE CLAIMANT DOES NOT OWE THE STATED AMOUNT  
3 OF RESTITUTION. NOT LESS THAN 30 DAYS AFTER ISSUING THE NOTICE TO  
4 THE CLAIMANT, THE UNEMPLOYMENT AGENCY SHALL NOTIFY THE CLAIMANT'S  
5 EMPLOYER TO WITHHOLD FROM EARNINGS DUE OR TO BECOME DUE FROM THE  
6 CLAIMANT THE AMOUNT SHOWN ON THE NOTICE PLUS ACCRUED INTEREST.  
7 THE EMPLOYER SHALL COMPLY WITH THE NOTICE TO WITHHOLD AND SHALL  
8 CONTINUE TO WITHHOLD EACH PAY PERIOD THE AMOUNT SHOWN ON THE  
9 NOTICE PLUS ACCRUED INTEREST UNTIL THE GARNISHMENT AMOUNT PLUS  
10 ACCRUED INTEREST HAS BEEN SATISFIED AND THE NOTICE IS RELEASED BY  
11 THE UNEMPLOYMENT AGENCY. THE UNEMPLOYMENT AGENCY'S ADMINISTRATIVE  
12 GARNISHMENT HAS PRIORITY OVER ANY SUBSEQUENT GARNISHMENT OR WAGE  
13 ASSIGNMENT. THE AMOUNT SUBJECT TO GARNISHMENT FOR ANY PAY PERIOD  
14 SHALL BE DECREASED BY ANY OTHER IRREVOCABLE AND PREVIOUSLY  
15 EFFECTIVE ASSIGNMENT OF WAGES OR OTHER GARNISHMENT ACTION SERVED  
16 ON THE EMPLOYER BEFORE SERVICE OF THE AGENCY'S GARNISHMENT  
17 NOTICE. THE AMOUNT OF THE AGENCY'S GARNISHMENT SHALL NOT EXCEED  
18 25% OF THE BALANCE. IN RESPONSE TO THE ADMINISTRATIVE  
19 GARNISHMENT, THE EMPLOYER SHALL DO ALL OF THE FOLLOWING:

20 (1) WITHIN 10 CALENDAR DAYS OF THE DATE OF THE AGENCY'S  
21 NOTICE TO WITHHOLD WAGES, NOTIFY THE AGENCY OF THE AMOUNT OF ANY  
22 IRREVOCABLE AND PREVIOUSLY EFFECTIVE ASSIGNMENT OF WAGES OR  
23 GARNISHMENT ACTIONS.

24 (2) WITHIN 10 DAYS AFTER THE END OF EACH PAY PERIOD IN WHICH  
25 WAGES ARE REQUIRED TO BE WITHHELD UNDER THE ADMINISTRATIVE  
26 GARNISHMENT, REMIT TO THE AGENCY THE AMOUNT WITHHELD PURSUANT TO  
27 THE ADMINISTRATIVE GARNISHMENT.

1 (3) WITHIN 10 DAYS AFTER THE DATE ON WHICH THE CLAIMANT  
2 CEASES TO BE EMPLOYED BY THE EMPLOYER, NOTIFY THE 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,  
5 MCL 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  
9 THE PRIZE OWING TO THE UNEMPLOYMENT INSURANCE AGENCY AND SHALL  
10 REMIT THAT AMOUNT TO THE UNEMPLOYMENT INSURANCE AGENCY.

11 SEC. 15A. (1) THE UNEMPLOYMENT AGENCY SHALL NOT COLLECT  
12 INTEREST ON A CONTRIBUTION OBLIGATION THAT AN EMPLOYER PAYS  
13 THROUGH APPORTIONED QUARTERLY PAYMENTS, IF THE EMPLOYER MEETS THE  
14 REQUIREMENTS OF SECTION 13(3) AND HAS REMITTED THE FOLLOWING  
15 AMOUNTS OR MORE EACH QUARTER BY THE DATE ESTABLISHED FOR EACH  
16 QUARTERLY FILING:

17 (A) FIRST QUARTER - 25% OF THE TOTAL OBLIGATION INCURRED IN  
18 THE FIRST QUARTER.

19 (B) SECOND QUARTER - THE OBLIGATION INCURRED IN THE SECOND  
20 QUARTER PLUS 25% OF THE TOTAL OBLIGATION FOR THE FIRST QUARTER.

21 (C) THIRD QUARTER - THE OBLIGATION INCURRED IN THE THIRD  
22 QUARTER PLUS 25% OF THE TOTAL OBLIGATION FOR THE FIRST QUARTER.

23 (D) FOURTH QUARTER - THE OBLIGATION INCURRED IN THE FOURTH  
24 QUARTER PLUS 25% OF THE TOTAL OBLIGATION FOR THE FIRST QUARTER.

25 (2) IF AN EMPLOYER FAILS IN ANY QUARTER TO PAY IN FULL, BY  
26 THE DUE DATE OF THE TAX PAYMENT FOR THAT QUARTER, THE PERCENTAGE  
27 OF THE TAX DEFERRED FROM THE FIRST QUARTER AS DESCRIBED IN

1 SUBSECTION (1), THE UNEMPLOYMENT AGENCY MAY COLLECT INTEREST AT  
2 THE RATE SPECIFIED IN SECTION 15 ON THE AMOUNT OF THE DEFERRED  
3 TAX THAT IS DUE IN THAT QUARTER AND UNPAID.

4 Sec. 17. (1) The ~~bureau~~ UNEMPLOYMENT AGENCY shall maintain  
5 in the unemployment compensation fund a nonchargeable benefits  
6 account and a separate experience account for each employer as  
7 provided in this section. This act does not give an employer or  
8 individuals in the employer's service prior claims or rights to  
9 the amount paid by the employer to the unemployment compensation  
10 fund. All contributions to that fund shall be pooled and  
11 available to pay benefits to any individual entitled to the  
12 benefits under this act, irrespective of the source of the  
13 contributions.

14 (2) The nonchargeable benefits account shall be credited  
15 with the following:

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

18 (b) Any positive balance remaining in the employer's  
19 experience account as of the second June 30 computation date  
20 occurring after the employer has ceased to be subject to this act  
21 or after the employer has elected to change from a contributing  
22 employer to a reimbursing employer.

23 (c) The proceeds of the nonchargeable benefits component of  
24 employers' contribution rates determined as provided in section  
25 19(a) (5) .

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

27 (e) All amounts that may be paid or advanced by the federal

1 government under section 903 or section 1201 of the social  
2 security act, 42 USC 1103 and 1321, to the account of the state  
3 in the federal unemployment trust fund.

4 (f) All benefits improperly paid to claimants that have been  
5 recovered and that were previously charged to an employer's  
6 account.

7 (g) Any benefits forfeited by an individual by application  
8 of section 62(b).

9 (h) The amount of any benefit check, any employer refund  
10 check, ~~or~~ any claimant restitution refund check, **OR OTHER PAYMENT**  
11 duly issued that has not been presented for payment within 1 year  
12 after the date of issue.

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

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

17 (k) Amounts transferred from the contingent fund under  
18 section 10.

19 (3) The nonchargeable benefits account shall be charged with  
20 the following:

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

26 (b) Refunds of amounts erroneously collected due to the  
27 nonchargeable benefits component of an employer's contribution

1 rate.

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

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

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

10 (f) The amounts received by the unemployment compensation  
11 fund under section 903 of the social security act, 42 USC 1103,  
12 that may be appropriated to the ~~bureau~~ **UNEMPLOYMENT AGENCY** in  
13 accordance with subsection (8).

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

17 (h) The amount of any substitute check **OR OTHER PAYMENT**  
18 issued to replace an uncashed benefit check, employer refund  
19 check, ~~ex~~-claimant restitution refund check, **OR OTHER PAYMENT**  
20 previously credited to this account.

21 (i) The amount of any benefit check **OR OTHER PAYMENT** issued  
22 that would be chargeable to the experience account of an employer  
23 who has ceased to be subject to this act, and who has had a  
24 balance transferred from the employer's experience account to the  
25 solvency or nonchargeable benefits account.

26 (j) All benefits that become nonchargeable to an employer  
27 under ~~section 29(3) or~~ section 19(b) or (c) **OR SECTION**



1 29(1)(A)(ii) OR (iii) OR (3).

2 (k) For benefit years beginning before October 1, 2000, with  
 3 benefits allocated under section 20(e)(2) for a week of  
 4 unemployment in which a claimant earns remuneration with a  
 5 contributing employer that equals or exceeds the amount of  
 6 benefits allocated to that contributing employer, and for benefit  
 7 years beginning on or after October 1, 2000, with benefits  
 8 allocated under section ~~20(e)(3)~~ **20(F)** for a week of unemployment  
 9 in which a claimant earns remuneration with a contributing  
 10 employer that equals or exceeds the amount of benefits allocated  
 11 to that contributing employer.

12 (l) Benefits that are nonchargeable to an employer's account  
 13 in accordance with section 20(i) **OR (J)**.

14 **(M) BENEFITS OTHERWISE CHARGEABLE TO THE ACCOUNT OF AN**  
 15 **EMPLOYER WHEN THE BENEFITS ARE PAYABLE SOLELY ON THE BASIS OF**  
 16 **COMBINING WAGES PAID BY A MICHIGAN EMPLOYER WITH WAGES PAID BY A**  
 17 **NON-MICHIGAN EMPLOYER UNDER THE INTERSTATE ARRANGEMENT FOR**  
 18 **COMBINING EMPLOYMENT AND WAGES UNDER 20 CFR 616.1 TO 616.11.**

19 (4) All contributions paid by an employer shall be credited  
 20 to the unemployment compensation fund, and, except as otherwise  
 21 provided with respect to the proceeds of the nonchargeable  
 22 benefits component of employers' contribution rates by section  
 23 19(a)(5), to the employer's experience account, as of the date  
 24 when paid. However, those contributions paid during any July  
 25 shall be credited as of the immediately preceding June 30.  
 26 Additional contributions paid by an employer as the result of a  
 27 retroactive contribution rate adjustment, solely for the purpose

1 of this subsection, shall be credited to the employer's  
2 experience account as if paid when due, if the payment is  
3 received within 30 days after the issuance of the initial  
4 assessment that results from the contribution rate adjustment and  
5 a written request for the application is filed by the employer  
6 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  
11 the second computation date after the employer has ceased to be  
12 subject to this act, becomes subject to this act again within 6  
13 years after that computation date, ~~the employer may apply, within~~  
14 ~~60 days after the bureau's determination that the employer is~~  
15 ~~again subject to this act, to the bureau to have~~ **THE UNEMPLOYMENT**  
16 **AGENCY SHALL TRANSFER** the positive **OR NEGATIVE** balance, adjusted  
17 by the debits and credits ~~as have been made subsequent to~~ **THAT**  
18 **ARE MADE AFTER** the date of transfer, ~~credited to the employer's~~  
19 new experience account. ~~If the application is timely, the bureau~~  
20 ~~shall credit the positive balance to the employer's new~~  
21 ~~experience account.~~

22 (6) If an employer's status as a reimbursing employer is  
23 terminated within 6 years after the date the employer's  
24 experience account as a prior contributing employer was  
25 transferred to the solvency or nonchargeable benefits account as  
26 provided in subsection (2) or (3) and the employer continues to  
27 be subject to this act as a contributing employer, any positive

1 or negative balance in the employer's experience account as a  
2 prior contributing employer, which was transferred to the  
3 solvency or nonchargeable benefits account, shall be transferred  
4 to the employer's new experience account. However, an employer  
5 who is delinquent with respect to any reimbursement payments in  
6 lieu of contributions for which the employer may be liable shall  
7 not have a positive balance transferred during the delinquency.

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

12 (8) All money credited under section 903 of the social  
13 security act, 42 USC 1103, to the account of the state in the  
14 federal unemployment trust fund shall immediately be credited by  
15 the ~~bureau~~**UNEMPLOYMENT AGENCY** to the fund's nonchargeable  
16 benefits account. There is authorized to be appropriated to the  
17 ~~bureau~~**UNEMPLOYMENT AGENCY** from the money credited to the  
18 nonchargeable benefits account under this subsection, an amount  
19 determined to be necessary for the proper and efficient  
20 administration by the ~~bureau~~**UNEMPLOYMENT AGENCY** of this act for  
21 purposes for which federal grants under ~~Title~~**TITLE** 3 of the  
22 social security act, 42 USC 501 to 504, and the Wagner-Peyser  
23 act, 29 USC 49 to 49l-2, are not available or are insufficient.  
24 The appropriation shall expire not more than 2 years after the  
25 date of enactment and shall provide that any unexpended balance  
26 shall then be credited to the nonchargeable benefits account. An  
27 appropriation shall not be made under this subsection for an

1 amount that exceeds the "adjusted balance" of the nonchargeable  
 2 benefits account on the most recent computation date.  
 3 Appropriations made under this subsection shall limit the total  
 4 amount that may be obligated by the ~~bureau~~**UNEMPLOYMENT AGENCY**  
 5 during a fiscal year to an amount that does not exceed the amount  
 6 by which the aggregate of the amounts credited to the  
 7 nonchargeable benefits account under this subsection during the  
 8 fiscal year and the 24 preceding fiscal years, exceeds the  
 9 aggregate of the amounts obligated by the ~~bureau~~**UNEMPLOYMENT**  
 10 **AGENCY** by appropriation under this subsection and charged against  
 11 the amounts thus credited to the nonchargeable benefits account  
 12 during any of the 25 fiscal years and any amounts credited to the  
 13 nonchargeable benefits account that have been used for the  
 14 payment of benefits.

15       Sec. 19. (a) The commission shall determine the contribution  
 16 rate of each contributing employer for each calendar year after  
 17 1977 as follows:

18       (1) (i) Except as provided in paragraph (ii), an employer's  
 19 rate shall be calculated as described in table A, **A-1, OR A-2**  
 20 with respect to wages paid by the employer in each calendar year  
 21 for employment. If an employer's coverage is terminated under  
 22 section 24, or at the conclusion of ~~8-12~~ or more consecutive  
 23 calendar quarters during which the employer has not had workers  
 24 in covered employment, and if the employer **AGAIN** becomes liable  
 25 for contributions, the employer shall be considered as newly  
 26 liable for contributions for the purposes of ~~table A or table B~~  
 27 ~~of~~**THE TABLES IN** this subsection. **AN EMPLOYER THAT BECOMES LIABLE**

1 UNDER SECTION 41(2) WILL NOT BE ASSIGNED THE NEW EMPLOYER RATE  
 2 BUT INSTEAD THE EMPLOYER'S MOST RECENT PRIOR RATE AS A  
 3 PREDECESSOR EMPLOYER WILL BE ASSIGNED TO ITS NEW ACCOUNT.

4 (ii) To provide against the high risk of net loss to the fund  
 5 in such cases, an employing unit that becomes newly liable for  
 6 contributions under this act in a calendar year beginning on or  
 7 after January 1, 1983 in which it employs in "employment", not  
 8 necessarily simultaneously but in any 1 week 2 or more  
 9 individuals in the performance of 1 or more contracts or  
 10 subcontracts for construction in the state of roads, bridges,  
 11 highways, sewers, water mains, utilities, public buildings,  
 12 factories, housing developments, or similar construction  
 13 projects, shall be liable for contributions to that employer's  
 14 account under this act for the first 4 years of operations in  
 15 this state at a rate equal to the average rate paid by employers  
 16 engaged in the construction business as determined by contractor  
 17 type in the manner provided in table B, B-1, OR B-2.

18 FOR AN EMPLOYER THAT WAS A CONTRIBUTING EMPLOYER BEFORE  
 19 JANUARY 1, 2012 AND DID NOT CONVERT FROM A REIMBURSING TO A  
 20 CONTRIBUTING EMPLOYER ON OR AFTER JANUARY 1, 2012, THE FOLLOWING  
 21 TABLES APPLY:

22  
 23 Table A

24	25 Year of Contribution	26 Contribution Rate
27	Liability	

28 1

2.7%

1	2	2.7%
2	3	1/3 (chargeable benefits
3		component) + 1.8%
4	4	2/3 (chargeable benefits
5		component) + 1.0%
6	5 and over	(chargeable benefits component) +
7		(account building component) +
8		(nonchargeable benefits component)

Table B

11	Year of Contribution	Contribution Rate
12	Liability	
13		
14		
15	1	average construction contractor
16		rate as determined by the
17		commission
18	2	average construction contractor
19		rate as determined by the
20		commission
21	3	1/3 (chargeable benefits component)
22		+ 2/3 average construction con-
23		tractor rate as determined by the
24		commission
25	4	2/3 (chargeable benefits component)
26		+ 1/3 average construction con-
27		tractor rate as determined by the
28		commission
29	5 and over	(chargeable benefits component) +
30		(account building component) +
31		(nonchargeable benefits component)

FOR AN EMPLOYER THAT BECOMES A CONTRIBUTING EMPLOYER ON OR

1 AFTER JANUARY 1, 2012 AND BEFORE JANUARY 1, 2013, THE FOLLOWING  
 2 TABLES APPLY:

3  
 4 **TABLE A-1**

5 6 7	YEAR OF CONTRIBUTION LIABILITY	CONTRIBUTION RATE
8		
9	1	2.7%
10	2	2.7% + 1/3 (CHARGEABLE BENEFITS 11 COMPONENT)
12	3	2.7% + 2/3 (CHARGEABLE BENEFITS 13 COMPONENT)
14	4 AND OVER	(CHARGEABLE BENEFITS COMPONENT) + 15 (ACCOUNT BUILDING COMPONENT) + 16 (NONCHARGEABLE BENEFITS COMPONENT)

17  
 18 **TABLE B-1**

19 20 21	YEAR OF CONTRIBUTION LIABILITY	CONTRIBUTION RATE
22		
23	1	AVERAGE CONSTRUCTION CONTRACTOR 24 RATE AS DETERMINED BY THE 25 COMMISSION
26	2	AVERAGE CONSTRUCTION CONTRACTOR 27 RATE AS DETERMINED BY THE 28 COMMISSION + 1/3 (CHARGEABLE 29 BENEFITS COMPONENT)
30	3	AVERAGE CONSTRUCTION CONTRACTOR 31 RATE AS DETERMINED BY THE 32 COMMISSION + 2/3 (CHARGEABLE

BENEFITS COMPONENT)

4 AND OVER

(CHARGEABLE BENEFITS COMPONENT) +

(ACCOUNT BUILDING COMPONENT) +

(NONCHARGEABLE BENEFITS COMPONENT)

FOR AN EMPLOYER THAT BECOMES A CONTRIBUTING EMPLOYER ON OR  
AFTER JANUARY 1, 2013, THE FOLLOWING TABLES APPLY:

TABLE A-2

YEAR OF CONTRIBUTION  
LIABILITY

CONTRIBUTION RATE

1

2.7% + 1/3 (CHARGEABLE BENEFITS  
COMPONENT)

2

2.7% + 2/3 (CHARGEABLE BENEFITS  
COMPONENT)

3 AND OVER

(CHARGEABLE BENEFITS COMPONENT) +  
(ACCOUNT BUILDING COMPONENT) +  
(NONCHARGEABLE BENEFITS COMPONENT)

TABLE B-2

YEAR OF CONTRIBUTION  
LIABILITY

CONTRIBUTION RATE

1

AVERAGE CONSTRUCTION CONTRACTOR  
RATE AS DETERMINED BY THE  
COMMISSION + 1/3 (CHARGEABLE  
BENEFITS COMPONENT)

2

AVERAGE CONSTRUCTION CONTRACTOR  
RATE AS DETERMINED BY THE  
COMMISSION + 2/3 (CHARGEABLE



1 BENEFITS COMPONENT)  
 2 3 AND OVER (CHARGEABLE BENEFITS COMPONENT) +  
 3 (ACCOUNT BUILDING COMPONENT) +  
 4 (NONCHARGEABLE BENEFITS COMPONENT)

5 (2) With the exception of employers who are in the first 4  
 6 consecutive years of liability, each employer's contribution rate  
 7 shall be the sum of the following components, all of which are  
 8 determined as of the computation date: a chargeable benefits  
 9 component determined under subdivision (3), an account building  
 10 component determined under subdivision (4), and a nonchargeable  
 11 benefits component determined under subdivision (5).

12 (3) (i) ~~The~~ **FOR CALENDAR YEARS BEGINNING BEFORE JANUARY 1,**  
 13 **2012, THE** chargeable benefits component of an employer's  
 14 contribution rate is the percentage determined by dividing: the  
 15 total amount of benefits charged to the employer's experience  
 16 account within the lesser of 60 consecutive months ending on the  
 17 computation date or the number of consecutive months ending on  
 18 the computation date with respect to which the employer has been  
 19 continuously liable for contributions; by the amount of wages,  
 20 subject to contributions, paid by the employer within the same  
 21 period. If the resulting quotient is not an exact multiple of  
 22 1/10 of 1%, it shall be increased to the next higher multiple of  
 23 1/10 of 1%. **FOR THE CALENDAR YEAR 2012, THE CHARGEABLE BENEFITS**  
 24 **COMPONENT OF AN EMPLOYER'S CONTRIBUTION RATE IS THE PERCENTAGE**  
 25 **DETERMINED BY DIVIDING: THE TOTAL AMOUNT OF BENEFITS CHARGED TO**  
 26 **THE EMPLOYER'S EXPERIENCE ACCOUNT WITHIN THE LESSER OF 48**  
 27 **CONSECUTIVE MONTHS ENDING ON THE COMPUTATION DATE OR THE NUMBER**

1 OF CONSECUTIVE MONTHS ENDING ON THE COMPUTATION DATE WITH RESPECT  
2 TO WHICH THE EMPLOYER HAS BEEN CONTINUOUSLY LIABLE FOR  
3 CONTRIBUTIONS; BY THE AMOUNT OF WAGES, SUBJECT TO CONTRIBUTIONS,  
4 PAID BY THE EMPLOYER WITHIN THE SAME PERIOD. IF THE RESULTING  
5 QUOTIENT IS NOT AN EXACT MULTIPLE OF 1/10 OF 1%, IT SHALL BE  
6 INCREASED TO THE NEXT HIGHER MULTIPLE OF 1/10 OF 1%. FOR EACH  
7 CALENDAR YEAR BEGINNING ON OR AFTER JANUARY 1, 2013, THE  
8 CHARGEABLE BENEFITS COMPONENT OF AN EMPLOYER'S CONTRIBUTION RATE  
9 IS THE PERCENTAGE DETERMINED BY DIVIDING: THE TOTAL AMOUNT OF  
10 BENEFITS CHARGED TO THE EMPLOYER'S EXPERIENCE ACCOUNT WITHIN THE  
11 LESSER OF 36 CONSECUTIVE MONTHS ENDING ON THE COMPUTATION DATE OR  
12 THE NUMBER OF CONSECUTIVE MONTHS ENDING ON THE COMPUTATION DATE  
13 WITH RESPECT TO WHICH THE EMPLOYER HAS BEEN CONTINUOUSLY LIABLE  
14 FOR CONTRIBUTIONS; BY THE AMOUNT OF WAGES, SUBJECT TO  
15 CONTRIBUTIONS, PAID BY THE EMPLOYER WITHIN THE SAME PERIOD. IF  
16 THE RESULTING QUOTIENT IS NOT AN EXACT MULTIPLE OF 1/10 OF 1%, IT  
17 SHALL BE INCREASED TO THE NEXT HIGHER MULTIPLE OF 1/10 OF 1%.

18 (ii) For benefit years established before October 1, 2000,  
19 the chargeable benefits component shall not exceed 6.0%, unless  
20 there is a statutory change in the maximum duration of regular  
21 benefit payments or the statutory ratio of regular benefit  
22 payments to credit weeks. In the event of a change in the maximum  
23 duration of regular benefit payments, the maximum chargeable  
24 benefits component shall increase by the same percentage as the  
25 statutory percentage change in the duration of regular benefit  
26 payments between computation dates. In the event of an increase  
27 in the statutory ratio of regular benefit payments to credit

1 weeks, as described in section 27(d), the maximum chargeable  
2 benefits component determined as of the computation dates  
3 occurring after the effective date of the increased ratio shall  
4 increase by 1/2 the same percentage as the increase in the ratio  
5 of regular benefit payments to credit weeks. If the resulting  
6 increase is not already an exact multiple of 1/10 of 1%, it shall  
7 be adjusted to the next higher multiple of 1/10 of 1%. For  
8 benefit years established after October 1, 2000, the chargeable  
9 benefits component shall not exceed 6.0%, unless there is a  
10 statutory change in the maximum duration of regular benefit  
11 payments or the percentage factor of base period wages, which  
12 defines maximum duration, as provided in section 27(d). If there  
13 is a statutory change in the maximum duration of regular benefit  
14 payments, the maximum chargeable benefits component shall  
15 increase by the same percentage as the statutory percentage  
16 change in the duration of regular benefit payments between  
17 computation dates. If there is an increase in the statutory  
18 percentage factor of base period wages, as described in section  
19 27(d), the maximum chargeable benefits component determined as of  
20 the computation dates occurring after the effective date of the  
21 increased ratio shall increase by 1/2 the same percentage as the  
22 increase in the percentage factor of base period wages. If the  
23 resulting increase is not already an exact multiple of 1/10 of  
24 1%, it shall be adjusted to the next higher multiple of 1/10 of  
25 1%.

26 (4) The account building component of an employer's  
27 contribution rate is the percentage arrived at by the following

1 calculations: (i) Multiply the amount of the employer's total  
2 payroll for the 12 months ending on the computation date, by the  
3 cost criterion; (ii) Subtract the amount of the balance in the  
4 employer's experience account as of the computation date from the  
5 product determined under (i); and (iii) if the remainder is zero or  
6 a negative quantity, the account building component of the  
7 employer's contribution rate shall be zero; but (iv) if the  
8 remainder is a positive quantity, the account building component  
9 of the employer's contribution rate shall be determined by  
10 dividing that remainder by the employer's total payroll paid  
11 within the 12 months ending on the computation date. The account  
12 building component shall not exceed the lesser of 1/4 of the  
13 percentage calculated or 2%. However, except as otherwise  
14 provided in this subdivision, the account building component  
15 shall not exceed the lesser of 1/2 of the percentage calculated  
16 or 3%, if on the June 30 of the preceding calendar year the  
17 balance in the unemployment compensation fund was less than 50%  
18 of an amount equal to the aggregate of all contributing  
19 employers' annual payrolls, for the 12 months ending March 31,  
20 times the cost criterion. For calendar years after 1993 and  
21 before 1996, the account building component shall not exceed the  
22 lesser of .69 of the percentage calculated, or 3%, if on the June  
23 30 of the preceding calendar year the balance in the unemployment  
24 compensation fund was less than 50% of an amount equal to the  
25 aggregate of all contributing employers' annual payrolls, for the  
26 12 months ending March 31, as defined in section 18(f), times the  
27 cost criterion; selected for the computation date under section

1 18(e). If the account building component determined under this  
2 subdivision is not an exact multiple of 1/10 of 1%, it shall be  
3 adjusted to the next higher multiple of 1/10 of 1%.

4 (5) The nonchargeable benefits component of employers'  
5 contribution rates is the percentage arrived at by the following  
6 calculations: (i) multiply the aggregate amount of all  
7 contributing employers' annual payrolls, for the 12 months ending  
8 March 31, as defined in section 18(f), by the cost criterion  
9 selected for the computation date under section 18(e); (ii)  
10 subtract the balance of the unemployment fund on the computation  
11 date, net of federal advances, from the product determined under  
12 (i); and (iii) if the remainder is zero or a negative quantity, the  
13 nonchargeable benefits component of employers' contribution rates  
14 shall be zero; but (iv) if the remainder is a positive quantity,  
15 the nonchargeable benefits component of employers' contribution  
16 rates shall be determined by dividing that remainder by the total  
17 of wages subject to contributions under this act paid by all  
18 contributing employers within the 12 months ending on March 31  
19 and adjusting the quotient, if not an exact multiple of 1/10 of  
20 1%, to the next higher multiple of 1/10 of 1%. The maximum  
21 nonchargeable benefits component shall be 1%. However, for  
22 calendar years after 1993, if there are no benefit charges  
23 against an employer's account for the 60 months ending as of the  
24 computation date, or for calendar years after 1995, if the  
25 employer's chargeable benefits component is less than 2/10 of 1%,  
26 the maximum nonchargeable benefit component shall not exceed 1/2  
27 of 1%. For calendar years after 1995, if there are no benefit

1 charges against an employer's account for the 72 months ending as  
2 of the computation date, the maximum nonchargeable benefits  
3 component shall not exceed 4/10 of 1%. For calendar years after  
4 1996, if there are no benefit charges against an employer's  
5 account for the 84 months ending as of the computation date, the  
6 maximum nonchargeable benefits component shall not exceed 3/10 of  
7 1%. For calendar years after 1997, if there are no benefit  
8 charges against an employer's account for the 96 months ending as  
9 of the computation date, the maximum nonchargeable benefits  
10 component shall not exceed 2/10 of 1%. For calendar years after  
11 1998, if there are no benefit charges against an employer's  
12 account for the 108 months ending as of the computation date, the  
13 maximum nonchargeable benefits component shall not exceed 1/10 of  
14 1%. For calendar years after 2002, the maximum nonchargeable  
15 benefits component shall not exceed 1/10 of 1% if there are no  
16 benefit charges against an employer's account for the 60 months  
17 ending as of the computation date; 9/100 of 1% if there are no  
18 benefit charges against an employer's account for the 72 months  
19 ending as of the computation date; 8/100 of 1% if there are no  
20 benefit charges against an employer's account for the 84 months  
21 ending as of the computation date; 7/100 of 1% if there are no  
22 benefit charges against an employer's account for the 96 months  
23 ending as of the computation date; or 6/100 of 1% if there are no  
24 benefit charges against an employer's account for the 108 months  
25 ending as of the computation date. For purposes of determining a  
26 nonchargeable benefits component under this subsection, an  
27 employer account shall not be considered to have had a charge if

1 claim for benefits is denied or determined to be fraudulent  
2 pursuant to section 54 or 54c. An employer with a positive  
3 balance in its experience account on the June 30 computation date  
4 preceding the calendar year shall receive for that calendar year  
5 a credit in an amount equal to 1/2 of the extra federal  
6 unemployment tax paid in the preceding calendar year under  
7 section 3302(c)(2) of the federal unemployment tax act, 26 USC  
8 3302, because of an outstanding balance of unrepaid advances from  
9 the federal government to the unemployment compensation fund  
10 under section 1201 of title XII of the social security act, 42  
11 USC 1321. However, the credit for any calendar year shall not  
12 exceed an amount determined by multiplying the employer's  
13 nonchargeable benefit component for that calendar year times the  
14 employer's taxable payroll for that year. Contributions paid by  
15 an employer shall be credited to the employer's experience  
16 account, in accordance with the provisions of section 17(5),  
17 without regard to any credit given under this subsection. The  
18 amount credited to an employer's experience account shall be the  
19 amount of the employer's tax before deduction of the credit  
20 provided in this subsection.

21 (6) The total of the chargeable benefits and account  
22 building components of an employer's contribution rate shall not  
23 exceed by more than 1% in the 1983 calendar year, 1.5% in the  
24 calendar year 1984, or 2% in the 1985 calendar year the higher of  
25 4% or the total of the chargeable benefits and the account  
26 building components that applied to the employer during the  
27 preceding calendar year. For calendar years after 1985, the total

1 of the chargeable benefits and account building components of the  
2 employer's contribution rate shall be computed without regard to  
3 the foregoing limitation provided in this subdivision. During a  
4 year in which this subdivision limits an employer's contribution  
5 rate, the resulting reduction shall be considered to be entirely  
6 in the experience component of the employer's contribution rate,  
7 as defined in section 18(d).

8 ~~—— (7) Unless an employer's contribution rate is 1/10 of 1% for~~  
9 ~~calendar years beginning after December 31, 1995, the employer's~~  
10 ~~contribution rate shall be reduced by any of the following~~  
11 ~~calculation methods that results in the lowest rate.~~

12 ~~—— (i) The chargeable benefits component, the account building~~  
13 ~~component, and the nonchargeable benefits component of the~~  
14 ~~contribution rate calculated under this section shall each be~~  
15 ~~reduced by 10% and if the resulting quotient is not an exact~~  
16 ~~multiple of 1/10 of 1%, that quotient shall be increased to the~~  
17 ~~next higher multiple of 1/10 of 1%. The 3 components as increased~~  
18 ~~shall then be added together.~~

19 ~~—— (ii) One tenth of 1% shall be deducted from the contribution~~  
20 ~~rate.~~

21 ~~—— (iii) The contribution rate shall be reduced by 10% and if the~~  
22 ~~resulting quotient is not an exact multiple of 1/10 of 1%, that~~  
23 ~~quotient shall be increased to the next higher multiple of 1/10~~  
24 ~~of 1%.~~

25 ~~—— The contribution rate reduction described in this section~~  
26 ~~applies to employers who have been liable for the payment of~~  
27 ~~contributions in accordance with this act for more than 4~~



~~consecutive years, if the balance of money in the unemployment compensation fund established under section 26, excluding money borrowed from the federal unemployment trust fund, is equal to or greater than 1.2% of the aggregate amount of all contributing employers' payrolls for the 12-month period ending on the computation date. If the employer's contribution rate is reduced by a 1/10 of 1% deduction in accordance with this subdivision, the employer's contributions shall be credited to each of the components of the contribution rate on a pro rata basis. As used in this subdivision.~~

~~—— (i) "Federal unemployment trust fund" means the fund created under section 904 of title IX of the social security act, 42 USC 1104.~~

~~—— (ii) "Payroll" means that term as defined in section 18(f).~~

(b) An employer previously liable for contributions under this act which on or after January 1, 1978 filed a petition for arrangement under the bankruptcy act of July 1, 1898, chapter 541, 30 Stat. 544, or on or after October 1, 1979 filed a petition for reorganization under title 11 of the United States Code, 11 USC 101 to 1330, pursuant to which a plan of arrangement or reorganization for rehabilitation purposes has been confirmed by order of the United States bankruptcy court, shall be considered as a reorganized employer and shall have a reserve fund balance of zero as of the first calendar year immediately following court confirmation of the plan of arrangement or reorganization, but not earlier than the calendar year beginning January 1, 1983, if the employer meets each of the following

1 requirements:

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

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

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

23 (4) The employer, within 180 days after notifying the  
24 commission of its intention to elect the status of a reorganized  
25 employer, makes a cash payment to the commission, for the  
26 unemployment compensation fund, equal to: .20 times the first  
27 \$2,000,000.00 of the employer's negative balance, .35 times the

1 amount of the employer's negative balance above \$2,000,000.00 and  
 2 up to \$5,000,000.00, and .50 times the amount of the negative  
 3 balance above \$5,000,000.00. The total amount determined by the  
 4 commission shall be based on the employer's negative balance  
 5 existing as of the end of the calendar month immediately  
 6 preceding the calendar year in which the employer will begin its  
 7 status as a reorganized employer. If the employer fails to pay  
 8 the amount determined, within 180 days of electing status as a  
 9 reorganized employer, the commission shall reinstate the  
 10 employer's negative balance previously reduced and redetermine  
 11 the employer's rate on the basis of the reinstated negative  
 12 balance. The redetermined rate shall then be used to redetermine  
 13 the employer's quarterly contributions for that calendar year.  
 14 The redetermined contributions shall be subject to the interest  
 15 provisions of section 15 as of the date the redetermined  
 16 quarterly contributions were originally due.

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

21		
22	Year of Contribution	Contribution Rate
23	Liability	
24		
25	1	2.7% of total taxable wages paid
26	2	2.7%
27	3	2.7%

1           4 and over           (chargeable benefits component  
 2                                   based upon 3-year experience) plus  
 3                                   (account building component based  
 4                                   upon 3-year experience) plus  
 5                                   (nonchargeable benefits component)

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

Year of Contribution Liability	Contribution Rate
1	average construction contractor rate as determined by the commission
2	average construction contractor rate as determined by the commission
3	1/3 (chargeable benefits component) + 2/3 average construction con- tractor rate as determined by the commission

1	4	2/3 (chargeable benefits component)
2		+ 1/3 average construction con-
3		tractor rate as determined by the
4		commission
5	5 and over	(chargeable benefits component) +
6		(account building component) +
7		(nonchargeable benefits component)

8 (c) Upon application by an employer to the commission for  
 9 designation as a distressed employer, the commission, within 60  
 10 days after receipt of the application, shall make a determination  
 11 whether the employer meets the conditions set forth in this  
 12 subsection. Upon finding that the conditions are met, the  
 13 commission shall notify the legislature of the determination and  
 14 request legislative acquiescence in the determination. If the  
 15 legislature approves the determination by concurrent resolution,  
 16 the employer shall be considered to be a "distressed employer" as  
 17 of January 1 of the year in which the determination is made. The  
 18 commission shall notify the employer of that determination and  
 19 notify the employer of its contribution rate as a distressed  
 20 employer and the contribution rate that would apply if the  
 21 employer was not a distressed employer. The distressed employer  
 22 shall determine its tax contribution using the 2 rates furnished  
 23 by the commission and shall pay its tax contribution based on the  
 24 lower of the 2 rates. If the determination of distressed employer  
 25 status is made during the calendar year, the employer shall be  
 26 entitled to a credit on future quarterly installments for any  
 27 excess contributions paid during that initial calendar year. The

1 employer shall notify the commission of the difference between  
2 the amount paid and the amount that would have been paid if the  
3 employer were not determined to be a distressed employer and the  
4 difference will be owed to the unemployment compensation fund,  
5 payable in accordance with this subsection. Cumulative totals of  
6 the difference must be reported to the commission with each  
7 return required to be filed. The commission may periodically  
8 determine continued eligibility of an employer under this  
9 subsection. When the commission makes a determination that an  
10 employer no longer qualifies as a distressed employer, the  
11 commission shall notify the employer of that determination. After  
12 notice by the commission that the employer no longer qualifies as  
13 a distressed employer, the employer will be liable for  
14 contributions, beginning with the first quarter occurring after  
15 receipt of notification of disqualification, on the basis of the  
16 rate that would apply if the employer was not a distressed  
17 employer. The contribution rate for a distressed employer shall  
18 be calculated under the law in effect for the 1982 calendar year  
19 except that the rate determined shall be reduced by the  
20 applicable solvency tax rate assessed against the employer under  
21 section 19a. The distressed employer will pay in 10 equal annual  
22 installments the amount of the unpaid contributions owed to the  
23 unemployment compensation fund due to the application of this  
24 subsection, without interest. Each installment shall be made with  
25 the fourth quarterly return for the respective year. As used in  
26 this subsection, "distressed employer" means an employer whose  
27 continued presence in this state is considered essential to the

1 state's economic well-being and who meets the following criteria:

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

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

6 (3) The employer's business income as defined in section 3  
7 of the single business tax act, 1975 PA 228, MCL 208.3, or  
8 section 105 of the Michigan business tax act, 2007 PA 36, MCL  
9 208.1105, as applicable, has resulted in an aggregate loss of  
10 \$1,000,000,000.00 or more during the 5-year period ending in the  
11 second year prior to the year for which the application is being  
12 made.

13 (4) The employer has received from this state loans totaling  
14 \$50,000,000.00 or more or loan guarantees from the federal  
15 government in excess of \$500,000,000.00, either of which are  
16 still outstanding.

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

21 (d) An employer may at any time make payments to that  
22 employer's experience account in the fund in excess of the  
23 requirements of this section, but these payments, when accepted  
24 by the commission, shall be irrevocable. A payment made by an  
25 employer within 30 days after mailing to the employer by the  
26 commission of a notice of the adjusted contribution rate of the  
27 employer shall be credited to the employer's account as of the

1 computation date for which the adjusted contribution rate was  
2 computed, and the employer's contribution rate shall be further  
3 adjusted accordingly. However, a payment made more than 120 days  
4 after the beginning of a calendar year shall not affect the  
5 employer's contribution rate for that year.

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

24       (2) The solvency tax rate shall be determined ~~for the~~  
25 ~~respective calendar years~~ as follows:

26 ~~—— (a) For the 1983 calendar year, the solvency tax rate shall~~  
27 ~~be 0.5%.~~



1 ~~—— (b) For the 1984 calendar year, the solvency tax rate shall~~  
2 ~~be 1%.~~

3 ~~—— (c) For the 1985 calendar year, the solvency tax rate shall~~  
4 ~~be calculated in the manner provided in this subdivision. By~~  
5 ~~February 1, 1985, the commission shall estimate the amount of~~  
6 ~~interest due on federal loans during the 1985 calendar year,~~  
7 ~~without regard to any deferral permitted under section 1202(b)(3)~~  
8 ~~or (8) of the social security act, 42 USC 1322, the amount of~~  
9 ~~funds required for the unemployment insurance automation project~~  
10 ~~for the 1985 calendar year, and the amount of deferred solvency~~  
11 ~~taxes which cannot be collected because of employer bankruptcies.~~  
12 ~~The total of these estimated amounts plus any amounts advanced~~  
13 ~~from the state treasury under subsection (3) during the 1984~~  
14 ~~calendar year and any interest thereon shall be divided by the~~  
15 ~~estimated total taxable payroll for the 1985 calendar year of all~~  
16 ~~active employers who had negative balances in their experience~~  
17 ~~accounts as of June 30, 1984. Total taxable payroll shall be~~  
18 ~~estimated by using the total taxable payroll for those employers~~  
19 ~~for the 12 month period ending June 30, 1984 and adjusting this~~  
20 ~~figure for any change in the taxable wage limit for the 1985~~  
21 ~~calendar year. The solvency tax rate thus calculated for the 1985~~  
22 ~~calendar year shall be adjusted to the next highest 1/10 of 1%,~~  
23 ~~but shall not exceed 2%.~~

24 ~~—— (d) For the 1986 calendar year, the solvency tax rate shall~~  
25 ~~be calculated in the manner provided in this subdivision. By~~  
26 ~~February 1, 1986, the commission shall estimate the amount of~~  
27 ~~interest due during the 1986 calendar year on federal loans,~~

~~1 without regard to any deferral that may be permitted under  
2 section 1202(b)(3) or (8) of the social security act, 42 USC  
3 1322, the amount of funds required for the unemployment insurance  
4 automation project for the 1986 calendar year, and the expected  
5 balance on December 31, 1986, if any, of unrepaid interest  
6 bearing federal advances. The total of these amounts plus any  
7 amounts advanced from the state treasury under subsection (3)  
8 during the 1985 calendar year and any interest thereon shall be  
9 divided by the estimated total taxable payroll for the calendar  
10 year of all active employers who had negative balances in their  
11 experience accounts as of June 30, 1985. Total taxable payroll  
12 shall be estimated by using the total taxable payroll for those  
13 employers for the 12 month period ending on June 30, 1985 and  
14 adjusting this figure for any change in the taxable wage limit  
15 for the 1986 calendar year. The quotient shall be adjusted to the  
16 next highest 1/10 of 1%. If this adjusted percentage is 0.8% or  
17 less, the employer's solvency tax rate for the 1986 calendar year  
18 shall be the adjusted percentage calculated. If the adjusted  
19 percentage is more than 0.8%, the employer's solvency tax rate  
20 shall be calculated in the same manner as the account building  
21 component of the employer's contribution rate as determined under  
22 section 19(a)(4), adjusted to generate aggregate solvency tax  
23 revenues sufficient to pay the interest due during the year on  
24 federal loans, to pay for the unemployment insurance automation  
25 project, to repay the balance of interest bearing loans by  
26 December 31, 1986, and to repay amounts advanced from the state  
27 treasury during the 1985 calendar year and any interest thereon,~~

~~but shall not exceed the lesser of 1/4 of the percentage  
calculated or 2%.~~

~~—— (c) For calendar years after 1986, the solvency tax rate  
shall be calculated as follows:~~

~~—— (i) If there is no balance on December 31, 1986, of unrepaid  
interest bearing federal advances, the solvency tax rate, if any,  
shall be calculated in the same manner as the account building  
component of the employer's contribution rate as determined under  
section 19(a)(4), but shall not exceed the lesser of 1/4 of the  
percentage calculated or 2%.~~

(A) ~~(ii)~~ If there is a balance on December 31, ~~1986, 2011~~, of  
unrepaid interest bearing federal advances, the solvency tax rate  
for the ~~1987-2012~~ calendar year and for each calendar year  
thereafter shall be calculated in the manner provided in this  
subparagraph **SUBDIVISION** until the balance of the interest  
bearing federal advances on December 31, ~~1986-2011~~ has been  
reduced to zero. By February 1 of the calendar year, the  
commission shall calculate the sum of ~~(a)~~ the estimated interest  
due during the calendar on federal loans, without regard to any  
interest deferral ~~which may be~~ **THAT IS** permitted under section  
1202 of the social security act, 42 USC 1322, ~~(b) the estimated  
amount of funds required for the unemployment insurance  
automation project,~~ ~~(c)~~ the remaining balance on December 31 of  
the preceding year of the December 31, ~~1986-2011~~ balance of  
unrepaid interest bearing federal advances, and ~~(d)~~ any amounts  
advanced from the state treasury under subsection (3) during the  
preceding year and any interest thereon. **ON THE BALANCE.** For

1 purposes of calculating the remaining balance, any loan  
2 repayments during the year shall first be applied toward reducing  
3 the December 31, ~~1986~~—2011 loan balance. The amount so calculated  
4 shall be divided by the estimated total taxable payroll for the  
5 calendar year of all active employers who had negative balances  
6 in their experience accounts as of June 30 of the previous year.  
7 Total taxable payroll shall be estimated by using the total  
8 taxable payroll for ~~such~~—**THOSE** employers for the 12-month period  
9 ending June 30 of the previous calendar year and adjusting this  
10 figure for any change in the taxable wage limit for the calendar  
11 year. The quotient shall be adjusted to the next 1/10 of 1%. If  
12 this adjusted percentage is 0.8% or less, an employer's solvency  
13 tax rate for that calendar year shall be the percentage  
14 calculated. If the adjusted percentage is more than 0.8%, the  
15 employer's solvency tax rate shall be calculated in the same  
16 manner as the account building component of the employer's  
17 contribution rate as determined under section 19(a)(4), adjusted  
18 to generate sufficient aggregate solvency tax revenues to pay the  
19 interest due during the year on federal loans, to pay for the  
20 unemployment insurance automation project, to repay the remaining  
21 balance of the December 31, ~~1986~~—2011 balance of unrepaid federal  
22 interest bearing loans, and to repay advances from the state  
23 treasury and any interest due thereon, but shall not exceed the  
24 lesser of 1/4 of the percentage calculated or 2%.

25       **(B)** For any calendar year after the first calendar year that  
26 the remaining balance of the December 31, ~~1986~~—2011 balance of  
27 unrepaid interest bearing federal advances has been reduced to

1 zero by December 31 of that year, an employer's solvency tax rate  
2 shall be calculated in the same manner as the account building  
3 component of the employer's contribution rate as determined under  
4 section 19(a)(4), but shall not exceed the lesser of 1/4 of the  
5 percentage calculated or 2%.

6 ~~—— (iii) Notwithstanding subparagraph (i), if there is no~~  
7 ~~interest bearing federal loan balance on December 31, 1986, but~~  
8 ~~the state will have interest due during the 1987 calendar year on~~  
9 ~~federal advances made prior to January 1, 1987, or the state must~~  
10 ~~repay in the 1987 calendar year any advances made from the state~~  
11 ~~treasury during the 1986 calendar year, plus any interest~~  
12 ~~thereon, the employer's solvency tax rate for the 1987 calendar~~  
13 ~~year shall be calculated in the same manner as in subparagraph~~  
14 ~~(ii). If there is no federal interest bearing loan balance on~~  
15 ~~December 31, 1986, and there will be no federal or state interest~~  
16 ~~due during the 1987 calendar year based on advances made prior to~~  
17 ~~January 1, 1987, but on June 30, 1986, the balance in the~~  
18 ~~unemployment compensation fund was less than the total amount of~~  
19 ~~unrepaid interest bearing federal advances, the employer's~~  
20 ~~solvency tax rate for the 1987 calendar year shall be zero.~~

21 (3) Solvency taxes shall become due and payable in the  
22 manner, and at the times, specified for contributions in rules  
23 promulgated by the commission. However, if the state is permitted  
24 to defer interest payments due during a calendar year under  
25 section 1202(b)(3) or (8) of the social security act, 42 USC  
26 1322, payment of the solvency tax may likewise be deferred by an  
27 employer and paid in installments in a manner prescribed by the

1 commission. If a deferral of interest payment is subsequently  
2 disallowed by the United States department of labor, either  
3 prospectively or retroactively, amounts of solvency taxes  
4 deferred under this section shall become immediately due and  
5 payable. Further, if the commission estimates that the solvency  
6 taxes to be collected by September 30 of the calendar year will  
7 be insufficient to meet the interest obligations due during that  
8 calendar year, the percentages of amounts of solvency taxes  
9 deferred in any year shall be reduced by the commission in an  
10 amount sufficient to meet the interest obligations due in that  
11 calendar year. Furthermore, if the amount of solvency taxes to be  
12 collected by the time the federal interest obligations are due in  
13 any year are insufficient to meet the obligations when due, the  
14 commission shall recommend to the legislature that it appropriate  
15 an amount sufficient to meet the interest obligations due. Any  
16 amount so appropriated and used to pay federal interest  
17 obligations, and interest due on such state appropriation, if  
18 any, shall be repaid to the state as soon as possible from the  
19 solvency tax revenues in the contingent fund.

20 (4) Amounts obtained pursuant to this section shall be paid  
21 into the contingent fund created under section 10 and, except for  
22 solvency taxes transferred to the unemployment compensation fund  
23 as provided in this subsection, shall not be credited to the  
24 employer's experience account. Amounts collected from solvency  
25 taxes which are transferred to the unemployment compensation fund  
26 and used to repay federal advances to the unemployment  
27 compensation fund shall be credited to the employers' experience

1 accounts by June 30 of the year following the calendar year in  
2 which the transfer occurred. The amount to be credited to an  
3 employer's account shall be determined by the commission, but  
4 shall reasonably reflect each employer's pro rata share of the  
5 amount transferred. Past due payments of the solvency tax shall  
6 be subject to the interest, penalty, assessment, and collection  
7 provisions of section 15. Interest and penalties collected shall  
8 be paid into the contingent fund. Adjustments and refunds of  
9 erroneously collected solvency taxes shall be made in accordance  
10 with section 16. Solvency tax determinations are appealable under  
11 the appeal process provided for review and appeal of  
12 determinations under this act.

13 (5) If any provision of this section prevents the state from  
14 qualifying for any federal interest relief provisions provided  
15 under section 1202 of the social security act, 42 USC 1322, or  
16 prevents employers in this state from qualifying for the  
17 limitation on the reduction of federal unemployment tax act  
18 credits as provided under section 3302(f) of the federal  
19 unemployment tax act, 26 USC 3302(f), that provision is invalid  
20 to the extent necessary to maintain qualification for the  
21 interest relief provisions and federal unemployment tax credits.

22 (6) Notwithstanding any other provision of this section, if  
23 interest due during a calendar year on federal advances is  
24 forgiven or postponed under federal law and is no longer due  
25 during that calendar year, no solvency tax shall be assessed  
26 against an employer for that calendar year and any solvency tax  
27 already assessed and collected against an employer before the

1 forgiveness or postponement of the interest for that calendar  
2 year shall be credited to the employer's experience account.

3       Sec. 20. (a) Benefits paid shall be charged against the  
4 employer's account as of the quarter in which the payments are  
5 made. If the ~~bureau~~ **UNEMPLOYMENT AGENCY** determines that any  
6 benefits charged against an employer's account were improperly  
7 paid, an amount equal to the charge based on those benefits shall  
8 be credited to the employer's account and a corresponding charge  
9 shall be made to the nonchargeable benefits account ~~as of the~~  
10 ~~current period or, in the discretion of the bureau,~~ as of the  
11 date of the charge. Benefits paid to an individual as a result of  
12 an employer's failure to provide the unemployment agency with  
13 separation, employment, and wage data as required by section 32  
14 shall be considered as benefits properly paid to the extent that  
15 the benefits are chargeable to the noncomplying employer.

16       (b) For benefit years established before October 1, 2000,  
17 benefits paid to an individual shall be based upon the credit  
18 weeks earned during the individual's base period and shall be  
19 charged against the experience accounts of the contributing  
20 employers or charged to the accounts of the reimbursing employers  
21 from whom the individual earned credit weeks. If the individual  
22 earned credit weeks from more than 1 employer, a separate  
23 determination shall be made of the amount and duration of  
24 benefits based upon the total credit weeks and wages earned with  
25 each employer. Benefits paid in accordance with the  
26 determinations shall be charged against the experience account of  
27 a contributing employer or charged to the account of a



1 reimbursing employer beginning with the most recent employer  
2 first and thereafter as necessary against other base period  
3 employers in inverse order to that in which the claimant earned  
4 his or her last credit week with those employers. If there is any  
5 disqualifying act or discharge under section 29(1) with an  
6 employer, benefits based upon credit weeks earned from that  
7 employer before the disqualifying act or discharge shall be  
8 charged only after the exhaustion of charges as provided above.  
9 Benefits based upon those credit weeks shall be charged first  
10 against the experience account of the contributing employer  
11 involved or to the account of the reimbursing employer involved  
12 in the most recent disqualifying act or discharge and thereafter  
13 as necessary in similar inverse order against other base period  
14 employers involved in disqualifying acts or discharges. The order  
15 of charges determined as of the beginning date of a benefit year  
16 shall remain fixed during the benefit year. For benefit years  
17 established on or after October 1, 2000, the claimant's full  
18 weekly benefit rate shall be charged to the account or experience  
19 account of the claimant's most recent separating employer for  
20 each of the first 2 weeks of benefits payable to the claimant in  
21 the benefit year in accordance with the monetary determination  
22 issued pursuant to section 32. However, if the total sum of wages  
23 paid by an employer totals \$200.00 or less, those wages shall be  
24 used for purposes of benefit payment, but any benefit charges  
25 attributable to those wages shall be charged to the nonchargeable  
26 benefits account. Thereafter, remaining weeks of benefits payable  
27 in the benefit year shall be paid in accordance with the monetary

1 determination and shall be charged proportionally to all base  
2 period employers, with the charge to each base period employer  
3 being made on the basis of the ratio that total wages paid by the  
4 employer in the base period bears to total wages paid by all  
5 employers in the base period. However, if the claimant did not  
6 perform services for the most recent separating employer or  
7 employing entity and receive earnings for performing the services  
8 of at least ~~the amount a claimant must earn, in the manner~~  
9 ~~prescribed in section 29(3), to requalify for benefits following~~  
10 ~~a disqualification under section 29(1)(a), (b), (i), or (k)~~ **40**  
11 **TIMES THE STATE MINIMUM HOURLY WAGE TIMES 7** during the claimant's  
12 most recent period of employment with the employer or employing  
13 entity, then all weeks of benefits payable in the benefit year  
14 shall be charged proportionally to all base period employers,  
15 with the charge to each base period employer being made on the  
16 basis of the ratio that total wages paid by the employer in the  
17 base period bears to total wages paid by all employers in the  
18 base period. If the claimant performed services for the most  
19 recent separating employing entity and received earnings for  
20 performing the services of at least ~~the amount a claimant must~~  
21 ~~earn, in the manner prescribed in section 29(3), to requalify for~~  
22 ~~benefits following a disqualification under section 29(1)(a),~~  
23 ~~(b), (i), or (k)~~ **40 TIMES THE STATE MINIMUM HOURLY WAGE TIMES 7**  
24 during the claimant's most recent period of employment for the  
25 employing entity but the separating employing entity was not a  
26 liable employer, the first 2 weeks of benefits payable to the  
27 claimant shall be charged proportionally to all base period

1 employers, with the charge to each base period employer made on  
2 the basis of the ratio that total wages paid by the employer in  
3 the base period bears to total wages paid by all employers in the  
4 base period. The "separating employer" is the employer that  
5 caused the individual to be unemployed as defined in section 48.

6 (c) For benefit years established before October 1, 2000,  
7 and except as otherwise provided in section 11(d) or (g) or  
8 section 46a, the charges for regular benefits to any reimbursing  
9 employer or to any contributing employer's experience account  
10 shall not exceed the weekly benefit rate multiplied by  $\frac{3}{4}$  the  
11 number of credit weeks earned by the individual during his or her  
12 base period from that employer. If the resultant product is not  
13 an even multiple of  $\frac{1}{2}$  the weekly benefit rate, the amount shall  
14 be raised to an amount equal to the next higher multiple of  $\frac{1}{2}$   
15 the weekly benefit rate, and in the case of an individual who was  
16 employed by only 1 employer in his or her base period and who  
17 earned 34 credit weeks with that employer, the product shall be  
18 raised to the next higher multiple of the weekly benefit rate.

19 (d) For benefit years beginning on or after October 1, 2000,  
20 and except as otherwise provided in section 11(d) or (g) or  
21 section 46, the charges for regular benefits to any reimbursing  
22 employer's account or to any contributing employer's experience  
23 account shall not exceed either the amount derived by multiplying  
24 by 2 the weekly benefit rate chargeable to the employer in  
25 accordance with subsection (b) if the employer is the separating  
26 employer and is chargeable for the first 2 weeks of benefits, or  
27 the amount derived from the percentage of the weekly benefit rate

1 chargeable to the employer in accordance with subsection (b),  
2 multiplied by the number of weeks of benefits chargeable to base  
3 period employers based on base period wages, to which the  
4 individual is entitled as provided in section 27(d), if the  
5 employer is a base period employer, or both of these amounts if  
6 the employer was both the chargeable separating employer and a  
7 base period employer.

8 (e) For benefit years beginning before October 1, 2000:

9 (1) If an individual has multiemployer credit weeks in his  
10 or her base period, and if it becomes necessary to use those  
11 credit weeks as a basis for benefit payments, a single  
12 determination shall be made of the individual's weekly benefit  
13 rate and maximum amount of benefits based on the individual's  
14 multiemployer credit weeks and the wages earned in those credit  
15 weeks. Each employer involved in the individual's multiemployer  
16 credit weeks shall be an interested party to the determination.  
17 The proviso in section 29(2) does not apply to multiemployer  
18 credit weeks, nor does the reduction provision of section 29(4)  
19 apply to benefit entitlement based upon those credit weeks.

20 (2) The charge for benefits based on multiemployer credit  
21 weeks shall be allocated to each employer involved on the basis  
22 of the ratio that the total wages earned during the total  
23 multiemployer credit weeks counted under section 50(b) with the  
24 employer bears to the total amount of wages earned during the  
25 total multiemployer credit weeks counted under section 50(b) with  
26 all such employers, computed to the nearest cent. However, if an  
27 adjusted weekly benefit rate is determined in accordance with

1 section 27(f), the charge to the employer who has contributed to  
2 the financing of the retirement plan shall be reduced by the same  
3 amount by which the weekly benefit rate was adjusted under  
4 section 27(f). Benefits for a week of unemployment allocated  
5 under this subsection to a contributing employer shall be charged  
6 to the nonchargeable benefits account if the claimant during that  
7 week earns remuneration with that employer that equals or exceeds  
8 the amount of benefits allocated to that employer.

9 (3) Benefits paid in accordance with the determination based  
10 on multiemployer credit weeks shall be allocated to each employer  
11 involved and charged as of the quarter in which the payments are  
12 made. Notice of charges made under this subsection shall be given  
13 to each employer by means of a current listing of charges, at  
14 least weekly, or of a quarterly statement of charges. The listing  
15 or statement shall specify the weeks for which benefits were paid  
16 based on multiemployer credit weeks and the amount of benefits  
17 paid chargeable to that employer for each week. The notice shall  
18 be considered to satisfy the requirements of sections 21(a) and  
19 32(d) that notification be given each employer of benefits  
20 charged against that employer's account by means of a ~~copy or~~  
21 listing of the benefit ~~check~~ **PAYMENT**, and all protest and appeal  
22 rights applicable to benefit ~~check copies or~~ **PAYMENT** listings  
23 shall also apply to the notice of charges. If an employer  
24 receives both a current listing of charges and a quarterly  
25 statement of charges under this subsection, all protest and  
26 appeal rights shall only apply to the first notice given.

27 (f) For benefit years beginning on or after October 1, 2000

~~1 , if benefits for a week of unemployment are charged to 2 or more  
2 base period employers, the share of the benefits allocated and  
3 charged under this section to a contributing employer shall be  
4 charged to the nonchargeable benefits account if the claimant  
5 during that week earns remuneration with that employer that  
6 equals or exceeds the amount of benefits charged to that~~

~~7 employer.~~AND BEFORE JANUARY 1, 2014, IF A BASE PERIOD  
8 CONTRIBUTING EMPLOYER NOTIFIES THE UNEMPLOYMENT AGENCY THAT IT  
9 PAID GROSS WAGES TO A CLAIMANT IN A WEEK AT LEAST EQUAL TO THE  
10 EMPLOYER'S BENEFIT CHARGE FOR THAT CLAIMANT FOR THE WEEK, THEN  
11 THE UNEMPLOYMENT AGENCY SHALL ISSUE A MONETARY REDETERMINATION  
12 NONCHARGING THE ACCOUNT OF THE EMPLOYER FOR THAT WEEK AND FOR THE  
13 REMAINING WEEKS OF THE BENEFIT YEAR FOR BENEFITS PAYABLE TO THE  
14 CLAIMANT THAT WOULD OTHERWISE BE CHARGED TO THE EMPLOYER'S  
15 ACCOUNT. FOR BENEFIT YEARS BEGINNING ON OR AFTER JANUARY 1, 2014,  
16 BENEFITS PAYABLE TO AN INDIVIDUAL FOR A WEEK AND FOR EACH  
17 REMAINING PAYABLE WEEK IN THE BENEFIT YEAR SHALL BE CHARGED TO  
18 THE NONCHARGEABLE BENEFITS ACCOUNT IF EITHER OF THE FOLLOWING  
19 OCCURS:

20 (1) THE INDIVIDUAL REPORTS GROSS EARNINGS IN THE WEEK WITH A  
21 CONTRIBUTING BASE PERIOD EMPLOYER AT LEAST EQUAL TO THE  
22 EMPLOYER'S BENEFIT CHARGES FOR THAT INDIVIDUAL FOR THE WEEK.

23 (2) A CONTRIBUTING BASE PERIOD EMPLOYER TIMELY PROTESTS A  
24 DETERMINATION CHARGING BENEFITS TO ITS ACCOUNT FOR A WEEK IN  
25 WHICH THE EMPLOYER PAID GROSS WAGES TO AN INDIVIDUAL AT LEAST  
26 EQUAL TO THE EMPLOYER'S CHARGES FOR BENEFITS PAID TO THAT  
27 INDIVIDUAL FOR THAT WEEK.

1 (g) For benefit years beginning before October 1, 2000:

2 (1) Training benefits as provided in section 27(g), and  
3 extended benefits as provided in section 64, shall be allocated  
4 to each reimbursing employer involved in the individual's base  
5 period of the claim to which the benefits are related, on the  
6 basis of the ratio that the total wages earned during the total  
7 credit weeks counted under section 50(b) with a reimbursing  
8 employer bears to the total amount of wages earned during the  
9 total credit weeks counted under section 50(b) with all  
10 employers.

11 (2) Training benefits and extended benefits, to the extent  
12 that they are not reimbursable by the federal government and have  
13 been allocated to a reimbursing employer, shall be charged to  
14 that reimbursing employer. A contributing employer's experience  
15 account shall not be charged with training benefits. Training  
16 benefits based on service with a contributing employer, to the  
17 extent that they are not reimbursable by the federal government,  
18 shall be charged to the nonchargeable benefits account. Extended  
19 benefits paid and based on service with a contributing employer,  
20 to the extent that they are not reimbursable by the federal  
21 government, shall be charged to that employer's experience  
22 account.

23 (3) If the training benefits or extended benefits are  
24 chargeable only to a single reimbursing employer, the benefits  
25 shall be charged in accordance with subsection (a). If the  
26 training benefits or extended benefits are chargeable to more  
27 than 1 reimbursing employer, or to 1 or more reimbursing

1 employers and the nonchargeable benefits account, the benefits  
2 shall be charged as of the quarter in which the payments are  
3 made.

4 (4) Notice of charges made under this subsection shall be  
5 given to each employer by means of a current listing of charges,  
6 at least weekly, and subsequently by a quarterly summary  
7 statement of charges. The listing shall specify the name and  
8 social security number of each claimant paid benefits during the  
9 week, the weeks for which the benefits were paid, and the amount  
10 of benefits chargeable to that employer paid for each week. The  
11 quarterly statement of charges shall list each claimant by name  
12 and social security number and shall show total benefit payments  
13 chargeable to that employer and made to each claimant during the  
14 calendar quarter. The listing shall be considered to satisfy the  
15 requirements of sections 21(a) and 32(d) that notification be  
16 given each employer of benefits charged against that employer's  
17 account by means of a listing of the benefit ~~check~~. **PAYMENT**. All  
18 protest and appeal rights applicable to benefit ~~check~~ **PAYMENT**  
19 listings shall also apply to the notice of charges. If an  
20 employer receives both a current listing of charges and a  
21 quarterly statement of charges under this subsection, all protest  
22 and appeal rights shall only apply to the first notice given.

23 (h) For benefit years beginning on or after October 1, 2000:

24 (1) Training benefits as provided in section 27(g), and  
25 extended benefits as provided in section 64, shall be charged to  
26 each reimbursing employer in the base period of the claim to  
27 which the benefits are related, on the basis of the ratio that



1 the total wages paid by a reimbursing employer during the base  
2 period bears to the total wages paid by all reimbursing employers  
3 in the base period.

4 (2) Training benefits, and extended benefits to the extent  
5 they are not reimbursable by the federal government and have been  
6 allocated to a reimbursing employer, shall be charged to that  
7 reimbursing employer. A contributing employer's experience  
8 account shall not be charged with training benefits. Training  
9 benefits based on service with a contributing employer, to the  
10 extent they are not reimbursable by the federal government, shall  
11 be charged to the nonchargeable benefits account. Extended  
12 benefits paid and based on service with a contributing employer,  
13 to the extent they are not reimbursable by the federal  
14 government, shall be charged to that employer's experience  
15 account.

16 (3) If the training benefits or extended benefits are  
17 chargeable only to a single reimbursing employer, the benefits  
18 shall be charged in accordance with subsection (a). If the  
19 training benefits or extended benefits are chargeable to more  
20 than 1 reimbursing employer, or to 1 or more reimbursing  
21 employers and the nonchargeable benefits account, the benefits  
22 shall be charged as of the quarter in which the payments are  
23 made.

24 (4) Notice of charges made under this subsection shall be  
25 given to each employer by means of a current listing of charges,  
26 at least weekly, and subsequently by a quarterly summary  
27 statement of charges. The listing shall specify the name and

1 social security number of each claimant paid benefits in the  
2 week, the weeks for which the benefits were paid, and the amount  
3 of benefits chargeable to that employer paid for each week. The  
4 quarterly summary statement of charges shall list each claimant  
5 by name and social security number and shall show total benefit  
6 payments chargeable to that employer and made to each claimant  
7 during the calendar quarter. The listing shall be considered to  
8 satisfy the requirements of sections 21(a) and 32(d) that  
9 notification be given to each employer of benefits charged  
10 against that employer's account by means of a listing of the  
11 benefit ~~check~~-**PAYMENT**. All protest and appeal rights applicable  
12 to benefit ~~check~~-**PAYMENT** listings shall also apply to the notice  
13 of charges. If an employer receives both a current listing of  
14 charges and a quarterly summary statement of charges under this  
15 subsection, all protest and appeal rights shall only apply to the  
16 first notice given.

17 (i) If a benefit year is established on or after October 1,  
18 2000, the portion of benefits paid in that benefit year that are  
19 based on wages used to establish the immediately preceding  
20 benefit year that began before October 1, 2000 shall not be  
21 charged to the employer or employers who paid those wages but  
22 shall be charged instead to the nonchargeable benefits account.

23 (j) For benefits years beginning after March 30, 2009,  
24 benefits paid to a person who leaves employment to accompany a  
25 spouse who is a full-time member of the United States armed  
26 forces and is reassigned for military service in a different  
27 geographic location are not chargeable to the employer, but shall

1 be charged to the nonchargeable benefits account.

2       Sec. 21. (a) The commission shall currently provide each  
3 employer with copies or listings of the benefit checks charged  
4 against that employer's account. **AN EMPLOYER DETERMINED BY THE**  
5 **AGENCY TO BE A SUCCESSOR EMPLOYER SHALL BEGIN RECEIVING THE**  
6 **LISTINGS EFFECTIVE FOR WEEKS BEGINNING AFTER THE MAILING OF THE**  
7 **DETERMINATION OF SUCCESSORSHIP.** The copies or listings shall show  
8 the name and social security account number of the payee, the  
9 amount paid, the date of issuance, the week of unemployment for  
10 which the check was issued, the name or account number of the  
11 chargeable employer, upon request a code designation of the place  
12 of employment by the chargeable employer, and additional  
13 information as may be deemed pertinent. The copies or listings  
14 shall constitute a determination of the charge to the employer's  
15 account. The determination shall be final unless further  
16 proceedings are taken in accordance with section 32a.

17       The commission shall furnish at least quarterly, to each  
18 employer, a statement summarizing the total of the benefits  
19 charged against the employer's account during the period. If the  
20 employer requests, the summary shall be broken down by places of  
21 employment.

22       The commission shall notify each employer, not later than 6  
23 months after the computation date, of his rate of contributions  
24 as determined for any calendar year pursuant to section 19. The  
25 statement or determination shall be final unless further  
26 proceedings are taken in accordance with section 32a. However, on  
27 request an employer shall be given an extension of 30 days'

1 additional time in which to apply for the review and  
2 redetermination.

3 (b) An employer who is not in agreement with a  
4 redetermination of the amount of insured payrolls used in  
5 computing the employer's experience account percentage, or the  
6 computation of the amount of benefits charged or contributions  
7 credited to the experience account, or the computation of the  
8 adjusted contribution rate issued under section 32a may, within  
9 30 days after mailing of the notice of redetermination, file an  
10 appeal and request a hearing on the issue before ~~a referee.~~**AN**  
11 **ADMINISTRATIVE LAW JUDGE.**

12 (c) A contribution becoming due and payable while a rate  
13 determination is under review or protest may be paid at the rate  
14 assessed by the commission for the previous year, but it shall be  
15 adjusted by the commission when the proper rate is determined. If  
16 an adjustment requires an additional payment from an employer,  
17 the additional payment shall be considered as a delinquent  
18 contribution as provided by section 15(a).

19 Sec. 27. (a)(1) When a determination, redetermination, or  
20 decision is made that benefits are due an unemployed individual,  
21 the benefits shall become payable from the fund and continue to  
22 be payable to the unemployed individual, subject to the  
23 limitations imposed by the individual's monetary entitlement, if  
24 the individual continues to be unemployed and to file claims for  
25 benefits, until the determination, redetermination, or decision  
26 is reversed, a determination, redetermination, or decision on a  
27 new issue holding the individual disqualified or ineligible is

1 made, or, for benefit years beginning before October 1, 2000, a  
2 new separation issue arises resulting from subsequent work.

3 (2) Benefits shall be paid in person or by mail through  
4 Employment offices in accordance with rules promulgated by the  
5 commission.

6 (b)(1) Subject to subsection (f), the weekly benefit rate  
7 for an individual, with respect to benefit years beginning before  
8 October 1, 2000, shall be 67% of the individual's average after  
9 tax weekly wage, except that the individual's maximum weekly  
10 benefit rate shall not exceed \$300.00. However, with respect to  
11 benefit years beginning on or after October 1, 2000, the  
12 individual's weekly benefit rate is 4.1% of the individual's  
13 wages paid in the calendar quarter of the base period in which  
14 the individual was paid the highest total wages, plus \$6.00 for  
15 each dependent as defined in subdivision (4), up to a maximum of  
16 5 dependents, claimed by the individual at the time the  
17 individual files a new claim for benefits, except that the  
18 individual's maximum weekly benefit rate shall not exceed \$300.00  
19 before April 26, 2002 and \$362.00 for claims filed on and after  
20 April 26, 2002. The weekly benefit rate for an individual  
21 claiming benefits on and after April 26, 2002 shall be  
22 recalculated subject to the \$362.00 maximum weekly benefit rate.  
23 The unemployment agency shall establish the procedures necessary  
24 to verify the number of dependents claimed. If a person  
25 fraudulently claims a dependent, that person is subject to the  
26 penalties set forth in sections 54 and 54c. For benefit years  
27 beginning on or after October 2, 1983, the weekly benefit rate

1 shall be adjusted to the next lower multiple of \$1.00.

2       (2) For benefit years beginning before October 1, 2000, the  
3 state average weekly wage for a calendar year shall be computed  
4 on the basis of the 12 months ending the June 30 immediately  
5 before that calendar year. The commission shall prepare a table  
6 of weekly benefit rates based on an "average after tax weekly  
7 wage" calculated by subtracting, from an individual's average  
8 weekly wage as determined in accordance with section 51, a  
9 reasonable approximation of the weekly amount required to be  
10 withheld by the employer from the remuneration of the individual  
11 based on dependents and exemptions for income taxes under 26 USC  
12 3401 to 3406, and under section 351 of the income tax act of  
13 1967, 1967 PA 281, MCL 206.351, and for old age and survivor's  
14 disability insurance taxes under the federal insurance  
15 contributions act, 26 USC 3101 to 3128. For purposes of applying  
16 the table to an individual's claim, a dependent shall be as  
17 defined in subdivision (3). The table applicable to an  
18 individual's claim shall be the table reflecting the number of  
19 dependents claimed by the individual under subdivision (3). The  
20 commission shall adjust the tables based on changes in  
21 withholding schedules published by the United States department  
22 of treasury, internal revenue service, and by the department of  
23 treasury. The number of dependents allowed shall be determined  
24 with respect to each week of unemployment for which an individual  
25 is claiming benefits.

26       (3) For benefit years beginning before October 1, 2000, a  
27 dependent means any of the following persons who are receiving

1 and for at least 90 consecutive days immediately before the week  
2 for which benefits are claimed, or, in the case of a dependent  
3 husband, wife, or child, for the duration of the marital or  
4 parental relationship, if the relationship has existed less than  
5 90 days, has received more than 1/2 the cost of his or her  
6 support from the individual claiming benefits:

7 (a) A child, including stepchild, adopted child, or  
8 grandchild of the individual who is under 18 years of age, or 18  
9 years of age or over if, because of physical or mental infirmity,  
10 the child is unable to engage in a gainful occupation, or is a  
11 full-time student as defined by the particular educational  
12 institution, at a high school, vocational school, community or  
13 junior college, or college or university and has not attained the  
14 age of 22.

15 (b) The husband or wife of the individual.

16 (c) The legal father or mother of the individual if that  
17 parent is either more than 65 years of age or is permanently  
18 disabled from engaging in a gainful occupation.

19 (d) A brother or sister of the individual if the brother or  
20 sister is orphaned or the living parents are dependent parents of  
21 an individual, and the brother or sister is under 18 years of  
22 age, or 18 years of age or over if, because of physical or mental  
23 infirmity, the brother or sister is unable to engage in a gainful  
24 occupation, or is a full-time student as defined by the  
25 particular educational institution, at a high school, vocational  
26 school, community or junior college, or college or university and  
27 is less than 22 years of age.

1           (4) For benefit years beginning on or after October 1, 2000,  
2 a dependent means any of the following persons who received for  
3 at least 90 consecutive days immediately before the first week of  
4 the benefit year or, in the case of a dependent husband, wife, or  
5 child, for the duration of the marital or parental relationship  
6 if the relationship existed less than 90 days before the  
7 beginning of the benefit year, has received more than 1/2 the  
8 cost of his or her support from the individual claiming the  
9 benefits:

10           (a) A child, including stepchild, adopted child, or  
11 grandchild of the individual who is under 18 years of age, or 18  
12 years of age and over if, because of physical or mental  
13 infirmity, the child is unable to engage in a gainful occupation,  
14 or is a full-time student as defined by the particular  
15 educational institution, at a high school, vocational school,  
16 community or junior college, or college or university and has not  
17 attained the age of 22.

18           (b) The husband or wife of the individual.

19           (c) The legal father or mother of the individual if that  
20 parent is either more than 65 years of age or is permanently  
21 disabled from engaging in a gainful occupation.

22           (d) A brother or sister of the individual if the brother or  
23 sister is orphaned or the living parents are dependent parents of  
24 an individual, and the brother or sister is under 18 years of  
25 age, or 18 years of age and over if, because of physical or  
26 mental infirmity, the brother or sister is unable to engage in a  
27 gainful occupation, or is a full-time student as defined by the



1 particular educational institution, at a high school, vocational  
2 school, community or junior college, or college or university and  
3 is less than 22 years of age.

4 (5) For benefit years beginning before October 1, 2000,  
5 dependency status of a dependent, child or otherwise, once  
6 established or fixed in favor of an individual continues during  
7 the individual's benefit year until terminated. Dependency status  
8 of a dependent terminates at the end of the week in which the  
9 dependent ceases to be an individual described in subdivision  
10 (3)(a), (b), (c), or (d) because of age, death, or divorce. For  
11 benefit years beginning on or after October 1, 2000, the number  
12 of dependents established for an individual at the beginning of  
13 the benefit year shall remain in effect during the entire benefit  
14 year.

15 (6) For benefit years beginning before October 1, 2000,  
16 failure on the part of an individual, due to misinformation or  
17 lack of information, to furnish all information material for  
18 determination of the number of the individual's dependents when  
19 the individual files a claim for benefits with respect to a week  
20 is good cause to issue a redetermination as to the amount of  
21 benefits based on the number of the individual's dependents as of  
22 the beginning date of that week. Dependency status of a  
23 dependent, child or otherwise, once established or fixed in favor  
24 of a person is not transferable to or usable by another person  
25 with respect to the same week.

26 For benefit years beginning on or after October 1, 2000,  
27 failure on the part of an individual, due to misinformation or

1 lack of information, to furnish all information material for  
2 determination of the number of the individual's dependents is  
3 good cause to issue a redetermination as to the amount of  
4 benefits based on the number of the individual's dependents as of  
5 the beginning of the benefit year.

6 (c) Subject to subsection (f), all of the following apply to  
7 eligible individuals:

8 (1) Each eligible individual shall be paid a weekly benefit  
9 rate with respect to the week for which the individual earns or  
10 receives no remuneration. Notwithstanding the definition of week  
11 in section 50, if within 2 consecutive weeks in which an  
12 individual was not unemployed within the meaning of section 48  
13 there was a period of 7 or more consecutive days for which the  
14 individual did not earn or receive remuneration, that period  
15 shall be considered a week for benefit purposes under this act if  
16 a claim for benefits for that period is filed not later than 30  
17 days after the end of the period.

18 (2) Each eligible individual shall have his or her weekly  
19 benefit rate reduced with respect to each week in which the  
20 individual earns or receives remuneration at the rate of 50 cents  
21 for each whole \$1.00 of remuneration earned or received during  
22 that week.

23 (3) An individual who receives or earns partial remuneration  
24 may not receive a total of benefits and earnings that exceeds 1-  
25 1/2 times his or her weekly benefit amount. For each dollar of  
26 total benefits and earnings that exceeds 1-1/2 times the  
27 individual's weekly benefit amount, benefits shall be reduced by

1 \$1.00.

2 (4) If the reduction in a claimant's benefit rate for a week  
3 in accordance with subdivision (2) or (3) results in a benefit  
4 rate greater than zero for that week, the claimant's balance of  
5 weeks of benefit payments shall be reduced by 1 week.

6 (5) All remuneration for work performed during a shift that  
7 terminates on 1 day but that began on the preceding day shall be  
8 considered to have been earned by the eligible individual on the  
9 preceding day.

10 (d) For benefit years beginning before October 1, 2000, and  
11 subject to subsection (f) and this subsection, the amount of  
12 benefits to which an individual who is otherwise eligible is  
13 entitled during a benefit year from an employer with respect to  
14 employment during the base period is the amount obtained by  
15 multiplying the weekly benefit rate with respect to that  
16 employment by  $\frac{3}{4}$  of the number of credit weeks earned in the  
17 employment. For the purpose of this subsection and section 20(c),  
18 if the resultant product is not an even multiple of  $\frac{1}{2}$  the  
19 weekly benefit rate, the product shall be raised to an amount  
20 equal to the next higher multiple of  $\frac{1}{2}$  the weekly benefit rate,  
21 and, for an individual who was employed by only 1 employer in the  
22 individual's base period and earned 34 credit weeks with that  
23 employer, the product shall be raised to the next higher multiple  
24 of the weekly benefit rate. The maximum amount of benefits  
25 payable to an individual within a benefit year, with respect to  
26 employment by an employer, shall not exceed 26 times the weekly  
27 benefit rate with respect to that employment. The maximum amount

1 of benefits payable to an individual within a benefit year shall  
2 not exceed the amount to which the individual would be entitled  
3 for 26 weeks of unemployment in which remuneration was not earned  
4 or received. The limitation of total benefits set forth in this  
5 subsection does not apply to claimants declared eligible for  
6 training benefits in accordance with subsection (g). For benefit  
7 years beginning on or after October 1, 2000, and subject to  
8 subsection (f) and this subsection, the maximum benefit amount  
9 payable to an individual in a benefit year for purposes of this  
10 section and section 20(d) is the number of weeks of benefits  
11 payable to an individual during the benefit year, multiplied by  
12 the individual's weekly benefit rate. The number of weeks of  
13 benefits payable to an individual shall be calculated by taking  
14 43% of the individual's base period wages and dividing the result  
15 by the individual's weekly benefit rate. If the quotient is not a  
16 whole or half number, the result shall be rounded down to the  
17 nearest half number. However, for each eligible individual filing  
18 an initial claim before January 15, 2012, not more than 26 weeks  
19 of benefits or less than 14 weeks of benefits shall be payable to  
20 an individual in a benefit year. For each eligible individual  
21 filing an initial claim on or after January 15, 2012, not more  
22 than 20 weeks of benefits or less than 14 weeks of benefits shall  
23 be payable to an individual in a benefit year. The limitation of  
24 total benefits set forth in this subsection does not apply to  
25 claimants declared eligible for training benefits in accordance  
26 with subsection (g).

27 (e) When a claimant dies or is judicially declared insane or

1 mentally incompetent, unemployment compensation benefits accrued  
2 and payable to that person for weeks of unemployment before  
3 death, insanity, or incompetency, but not paid, shall become due  
4 and payable to the person who is the legal heir or guardian of  
5 the claimant or to any other person found by the commission to be  
6 equitably entitled to the benefits by reason of having incurred  
7 expense in behalf of the claimant for the claimant's burial or  
8 other necessary expenses.

9 (f)(1) For benefit years beginning before October 1, 2000,  
10 and notwithstanding any inconsistent provisions of this act, the  
11 weekly benefit rate of each individual who is receiving or will  
12 receive a "retirement benefit", as defined in subdivision (4),  
13 shall be adjusted as provided in subparagraphs (a), (b), and (c).  
14 However, an individual's extended benefit account and an  
15 individual's weekly extended benefit rate under section 64 shall  
16 be established without reduction under this subsection unless  
17 subdivision (5) is in effect. Except as otherwise provided in  
18 this subsection, all other provisions of this act continue to  
19 apply in connection with the benefit claims of those retired  
20 persons.

21 (a) If and to the extent that unemployment benefits payable  
22 under this act would be chargeable to an employer who has  
23 contributed to the financing of a retirement plan under which the  
24 claimant is receiving or will receive a retirement benefit  
25 yielding a pro rata weekly amount equal to or larger than the  
26 claimant's weekly benefit rate as otherwise established under  
27 this act, the claimant shall not receive unemployment benefits

1 that would be chargeable to the employer under this act.

2 (b) If and to the extent that unemployment benefits payable  
3 under this act would be chargeable to an employer who has  
4 contributed to the financing of a retirement plan under which the  
5 claimant is receiving or will receive a retirement benefit  
6 yielding a pro rata weekly amount less than the claimant's weekly  
7 benefit rate as otherwise established under this act, then the  
8 weekly benefit rate otherwise payable to the claimant and  
9 chargeable to the employer under this act shall be reduced by an  
10 amount equal to the pro rata weekly amount, adjusted to the next  
11 lower multiple of \$1.00, which the claimant is receiving or will  
12 receive as a retirement benefit.

13 (c) If the unemployment benefit payable under this act would  
14 be chargeable to an employer who has not contributed to the  
15 financing of a retirement plan under which the claimant is  
16 receiving or will receive a retirement benefit, then the weekly  
17 benefit rate of the claimant as otherwise established under this  
18 act shall not be reduced due to receipt of a retirement benefit.

19 (d) If the unemployment benefit payable under this act is  
20 computed on the basis of multiemployer credit weeks and a portion  
21 of the benefit is allocable under section 20(e) to an employer  
22 who has contributed to the financing of a retirement plan under  
23 which the claimant is receiving or will receive a retirement  
24 benefit, the adjustments required by subparagraph (a) or (b)  
25 apply only to that portion of the weekly benefit rate that would  
26 otherwise be allocable and chargeable to the employer.

27 (2) If an individual's weekly benefit rate under this act

1 was established before the period for which the individual first  
2 receives a retirement benefit, any benefits received after a  
3 retirement benefit becomes payable shall be determined in  
4 accordance with the formula stated in this subsection.

5 (3) When necessary to assure prompt payment of benefits, the  
6 commission shall determine the pro rata weekly amount yielded by  
7 an individual's retirement benefit based on the best information  
8 currently available to it. In the absence of fraud, a  
9 determination shall not be reconsidered unless it is established  
10 that the individual's actual retirement benefit in fact differs  
11 from the amount determined by \$2.00 or more per week. The  
12 reconsideration shall apply only to benefits as may be claimed  
13 after the information on which the reconsideration is based was  
14 received by the commission.

15 (4)(a) As used in this subsection, "retirement benefit"  
16 means a benefit, annuity, or pension of any type or that part  
17 thereof that is described in subparagraph (b) that is both:

18 (i) Provided as an incident of employment under an  
19 established retirement plan, policy, or agreement, including  
20 federal social security if subdivision (5) is in effect.

21 (ii) Payable to an individual because the individual has  
22 qualified on the basis of attained age, length of service, or  
23 disability, whether or not the individual retired or was retired  
24 from employment. Amounts paid to individuals in the course of  
25 liquidation of a private pension or retirement fund because of  
26 termination of the business or of a plant or department of the  
27 business of the employer involved are not retirement benefits.

1 (b) If a benefit as described in subparagraph (a) is payable  
2 or paid to the individual under a plan to which the individual  
3 has contributed:

4 (i) Less than 1/2 of the cost of the benefit, then only 1/2  
5 of the benefit is treated as a retirement benefit.

6 (ii) One-half or more of the cost of the benefit, then none  
7 of the benefit is treated as a retirement benefit.

8 (c) The burden of establishing the extent of an individual's  
9 contribution to the cost of his or her retirement benefit for the  
10 purpose of subparagraph (b) is upon the employer who has  
11 contributed to the plan under which a benefit is provided.

12 (5) Notwithstanding any other provision of this subsection,  
13 for any week that begins after March 31, 1980, and with respect  
14 to which an individual is receiving a governmental or other  
15 pension and claiming unemployment compensation, the weekly  
16 benefit amount payable to the individual for those weeks shall be  
17 reduced, but not below zero, by the entire prorated weekly amount  
18 of any governmental or other pension, retirement or retired pay,  
19 annuity, or any other similar payment that is based on any  
20 previous work of the individual. This reduction shall be made  
21 only if it is required as a condition for full tax credit against  
22 the tax imposed by the federal unemployment tax act, 26 USC 3301  
23 to 3311.

24 (6) For benefit years beginning on or after October 1, 2000,  
25 notwithstanding any inconsistent provisions of this act, the  
26 weekly benefit rate of each individual who is receiving or will  
27 receive a retirement benefit, as defined in subdivision (4),



1 shall be adjusted as provided in subparagraphs (a), (b), and (c).  
2 However, an individual's extended benefit account and an  
3 individual's weekly extended benefit rate under section 64 shall  
4 be established without reduction under this subsection, unless  
5 subdivision (5) is in effect. Except as otherwise provided in  
6 this subsection, all the other provisions of this act apply to  
7 the benefit claims of those retired persons. However, if the  
8 reduction would impair the full tax credit against the tax  
9 imposed by the federal unemployment tax act, 26 USC 3301 to 3311,  
10 unemployment benefits shall not be reduced as provided in  
11 subparagraphs (a), (b), and (c) for receipt of any governmental  
12 or other pension, retirement or retired pay, annuity, or other  
13 similar payment that was not includable in the gross income of  
14 the individual for the taxable year in which it was received  
15 because it was a part of a rollover distribution.

16 (a) If any base period or chargeable employer has  
17 contributed to the financing of a retirement plan under which the  
18 claimant is receiving or will receive a retirement benefit  
19 yielding a pro rata weekly amount equal to or larger than the  
20 claimant's weekly benefit rate as otherwise established under  
21 this act, the claimant shall not receive unemployment benefits.

22 (b) If any base period employer or chargeable employer has  
23 contributed to the financing of a retirement plan under which the  
24 claimant is receiving or will receive a retirement benefit  
25 yielding a pro rata weekly amount less than the claimant's weekly  
26 benefit rate as otherwise established under this act, then the  
27 weekly benefit rate otherwise payable to the claimant shall be

1 reduced by an amount equal to the pro rata weekly amount,  
2 adjusted to the next lower multiple of \$1.00, which the claimant  
3 is receiving or will receive as a retirement benefit.

4 (c) If no base period or separating employer has contributed  
5 to the financing of a retirement plan under which the claimant is  
6 receiving or will receive a retirement benefit, then the weekly  
7 benefit rate of the claimant as otherwise established under this  
8 act shall not be reduced due to receipt of a retirement benefit.

9 (g) Notwithstanding any other provision of this act, an  
10 individual pursuing vocational training or retraining pursuant to  
11 section 28(2) who has exhausted all benefits available under  
12 subsection (d) may be paid for each week of approved vocational  
13 training pursued beyond the date of exhaustion a benefit amount  
14 in accordance with subsection (c), but not in excess of the  
15 individual's most recent weekly benefit rate. However, an  
16 individual shall not be paid training benefits totaling more than  
17 18 times the individual's most recent weekly benefit rate. The  
18 expiration or termination of a benefit year shall not stop or  
19 interrupt payment of training benefits if the training for which  
20 the benefits were granted began before expiration or termination  
21 of the benefit year.

22 (h) A payment of accrued unemployment benefits shall not be  
23 made to an eligible individual or in behalf of that individual as  
24 provided in subsection (e) more than 6 years after the ending  
25 date of the benefit year covering the payment or 2 calendar years  
26 after the calendar year in which there is final disposition of a  
27 contested case, whichever is later.

1 (i) Benefits based on service in employment described in  
2 section 42(8), (9), and (10) are payable in the same amount, on  
3 the same terms, and subject to the same conditions as  
4 compensation payable on the basis of other service subject to  
5 this act, except that:

6 (1) With respect to service performed in an instructional,  
7 research, or principal administrative capacity for an institution  
8 of higher education as defined in section 53(2), or for an  
9 educational institution other than an institution of higher  
10 education as defined in section 53(3), benefits shall not be paid  
11 to an individual based on those services for any week of  
12 unemployment beginning after December 31, 1977 that commences  
13 during the period between 2 successive academic years or during a  
14 similar period between 2 regular terms, whether or not  
15 successive, or during a period of paid sabbatical leave provided  
16 for in the individual's contract, to an individual if the  
17 individual performs the service in the first of the academic  
18 years or terms and if there is a contract or a reasonable  
19 assurance that the individual will perform service in an  
20 instructional, research, or principal administrative capacity for  
21 an institution of higher education or an educational institution  
22 other than an institution of higher education in the second of  
23 the academic years or terms, whether or not the terms are  
24 successive.

25 (2) With respect to service performed in other than an  
26 instructional, research, or principal administrative capacity for  
27 an institution of higher education as defined in section 53(2) or

1 for an educational institution other than an institution of  
2 higher education as defined in section 53(3), benefits shall not  
3 be paid based on those services for any week of unemployment  
4 beginning after December 31, 1977 that commences during the  
5 period between 2 successive academic years or terms to any  
6 individual if that individual performs the service in the first  
7 of the academic years or terms and if there is a reasonable  
8 assurance that the individual will perform the service for an  
9 institution of higher education or an educational institution  
10 other than an institution of higher education in the second of  
11 the academic years or terms.

12 (3) With respect to any service described in subdivision (1)  
13 or (2), benefits shall not be paid to an individual based upon  
14 service for any week of unemployment that commences during an  
15 established and customary vacation period or holiday recess if  
16 the individual performs the service in the period immediately  
17 before the vacation period or holiday recess and there is a  
18 contract or reasonable assurance that the individual will perform  
19 the service in the period immediately following the vacation  
20 period or holiday recess.

21 (4) If benefits are denied to an individual for any week  
22 solely as a result of subdivision (2) and the individual was not  
23 offered an opportunity to perform in the second academic year or  
24 term the service for which reasonable assurance had been given,  
25 the individual is entitled to a retroactive payment of benefits  
26 for each week for which the individual had previously filed a  
27 timely claim for benefits. An individual entitled to benefits

1 under this subdivision may apply for those benefits by mail in  
2 accordance with R 421.210 of the Michigan administrative code as  
3 promulgated by the commission.

4 (5) Benefits based upon services in other than an  
5 instructional, research, or principal administrative capacity for  
6 an institution of higher education shall not be denied for any  
7 week of unemployment commencing during the period between 2  
8 successive academic years or terms solely because the individual  
9 had performed the service in the first of the academic years or  
10 terms and there is reasonable assurance that the individual will  
11 perform the service for an institution of higher education or an  
12 educational institution other than an institution of higher  
13 education in the second of the academic years or terms, unless a  
14 denial is required as a condition for full tax credit against the  
15 tax imposed by the federal unemployment tax act, 26 USC 3301 to  
16 3311.

17 (6) For benefit years established before October 1, 2000,  
18 and notwithstanding subdivisions (1), (2), and (3), the denial of  
19 benefits does not prevent an individual from completing  
20 requalifying weeks in accordance with section 29(3) nor does the  
21 denial prevent an individual from receiving benefits based on  
22 service with an employer other than an educational institution  
23 for any week of unemployment occurring between academic years or  
24 terms, whether or not successive, or during an established and  
25 customary vacation period or holiday recess, even though the  
26 employer is not the most recent chargeable employer in the  
27 individual's base period. However, in that case section 20(b)

1 applies to the sequence of benefit charging, except for the  
2 employment with the educational institution, and section 50(b)  
3 applies to the calculation of credit weeks. When a denial of  
4 benefits under subdivision (1) no longer applies, benefits shall  
5 be charged in accordance with the normal sequence of charging as  
6 provided in section 20(b).

7 (7) For benefit years beginning on or after October 1, 2000,  
8 and notwithstanding subdivisions (1), (2), and (3), the denial of  
9 benefits shall not prevent an individual from completing  
10 requalifying weeks in accordance with section 29(3) nor shall the  
11 denial prevent an individual from receiving benefits based on  
12 service with another base period employer other than an  
13 educational institution for any week of unemployment occurring  
14 between academic years or terms, whether or not successive, or  
15 during an established and customary vacation period or holiday  
16 recess. However, when benefits are paid based on service with 1  
17 or more base period employers other than an educational  
18 institution, the individual's weekly benefit rate shall be  
19 calculated in accordance with subsection (b)(1) but during the  
20 denial period the individual's weekly benefit payment shall be  
21 reduced by the portion of the payment attributable to base period  
22 wages paid by an educational institution and the account or  
23 experience account of the educational institution shall not be  
24 charged for benefits payable to the individual. When a denial of  
25 benefits under subdivision (1) is no longer applicable, benefits  
26 shall be paid and charged on the basis of base period wages with  
27 each of the base period employers including the educational

1 institution.

2 (8) For the purposes of this subsection, "academic year"  
3 means that period, as defined by the educational institution,  
4 when classes are in session for that length of time required for  
5 students to receive sufficient instruction or earn sufficient  
6 credit to complete academic requirements for a particular grade  
7 level or to complete instruction in a noncredit course.

8 (9) In accordance with subdivisions (1), (2), and (3),  
9 benefits for any week of unemployment shall be denied to an  
10 individual who performed services described in subdivision (1),  
11 (2), or (3) in an educational institution while in the employ of  
12 an educational service agency. For the purpose of this  
13 subdivision, "educational service agency" means a governmental  
14 agency or governmental entity that is established and operated  
15 exclusively for the purpose of providing the services to 1 or  
16 more educational institutions.

17 (j) Benefits shall not be paid to an individual on the basis  
18 of any base period services, substantially all of which consist  
19 of participating in sports or athletic events or training or  
20 preparing to participate, for a week that commences during the  
21 period between 2 successive sport seasons or similar periods if  
22 the individual performed the services in the first of the seasons  
23 or similar periods and there is a reasonable assurance that the  
24 individual will perform the services in the later of the seasons  
25 or similar periods.

26 (k) (1) Benefits are not payable on the basis of services  
27 performed by an alien unless the alien is an individual who was

1 lawfully admitted for permanent residence at the time the  
2 services were performed, was lawfully present for the purpose of  
3 performing the services, or was permanently residing in the  
4 United States under color of law at the time the services were  
5 performed, including an alien who was lawfully present in the  
6 United States under section 212(d)(5) of the immigration and  
7 nationality act, 8 USC 1182.

8 (2) Any data or information required of individuals applying  
9 for benefits to determine whether benefits are payable because of  
10 their alien status are uniformly required from all applicants for  
11 benefits.

12 (3) If an individual's application for benefits would  
13 otherwise be approved, a determination that benefits to that  
14 individual are not payable because of the individual's alien  
15 status shall not be made except upon a preponderance of the  
16 evidence.

17 (m)(1) An individual filing a new claim for unemployment  
18 compensation under this act, at the time of filing the claim,  
19 shall disclose whether the individual owes child support  
20 obligations as defined in this subsection. If an individual  
21 discloses that he or she owes child support obligations and is  
22 determined to be eligible for unemployment compensation, the  
23 ~~commission~~ **UNEMPLOYMENT AGENCY** shall notify the state or local  
24 child support enforcement agency enforcing the obligation that  
25 the individual has been determined to be eligible for  
26 unemployment compensation.

27 (2) Notwithstanding section 30, the ~~commission~~ **UNEMPLOYMENT**



1 **AGENCY** shall deduct and withhold from any unemployment  
2 compensation payable to an individual who owes child support  
3 obligations by using whichever of the following methods results  
4 in the greatest amount:

5 (a) The amount, if any, specified by the individual to be  
6 deducted and withheld under this subdivision.

7 (b) The amount, if any, determined pursuant to an agreement  
8 submitted to the commission under 42 USC 654(19)(b)(i), by the  
9 state or local child support enforcement agency.

10 (c) Any amount otherwise required to be deducted and  
11 withheld from unemployment compensation by legal process, as that  
12 term is defined in 42 USC 659(i)(5), properly served upon the  
13 commission.

14 (3) The amount of unemployment compensation subject to  
15 deduction under subdivision (2) is that portion that remains  
16 payable to the individual after application of the recoupment  
17 provisions of section 62(a) and the reduction provisions of  
18 subsections (c) and (f).

19 (4) Any amount deducted and withheld under subdivision (2)  
20 shall be paid by the commission to the appropriate state or local  
21 child support enforcement agency.

22 (5) Any amount deducted and withheld under subdivision (2)  
23 shall be treated for all purposes as if it were paid to the  
24 individual as unemployment compensation and paid by the  
25 individual to the state or local child support enforcement agency  
26 in satisfaction of the individual's child support obligations.

27 (6) Provisions concerning deductions under this subsection

1 apply only if the state or local child support enforcement agency  
2 agrees in writing to reimburse and does reimburse the commission  
3 for the administrative costs incurred by the commission under  
4 this subsection that are attributable to child support  
5 obligations being enforced by the state or local child support  
6 enforcement agency. The administrative costs incurred shall be  
7 determined by the commission. The commission, in its discretion,  
8 may require payment of administrative costs in advance.

9 (7) As used in this subsection:

10 (a) "Unemployment compensation", for purposes of  
11 subdivisions (1) to (5), means any compensation payable under  
12 this act, including amounts payable by the commission pursuant to  
13 an agreement under any federal law providing for compensation,  
14 assistance, or allowances with respect to unemployment.

15 (b) "Child support obligations" includes only obligations  
16 that are being enforced pursuant to a plan described in 42 USC  
17 654 that has been approved by the secretary of health and human  
18 services under 42 USC 651 to 669b.

19 (c) "State or local child support enforcement agency" means  
20 any agency of this state or a political subdivision of this state  
21 operating pursuant to a plan described in subparagraph (b).

22 (n) Subsection (i)(2) applies to services performed by  
23 school bus drivers employed by a private contributing employer  
24 holding a contractual relationship with an educational  
25 institution, but only if at least 75% of the individual's base  
26 period wages with that employer are attributable to services  
27 performed as a school bus driver. Subsection (i)(1) and (2) but

1 not subsection (i)(3) applies to other services described in  
2 those subdivisions that are performed by any employees under an  
3 employer's contract with an educational institution or an  
4 educational service agency.

5 (o)(1) For weeks of unemployment beginning after July 1,  
6 1996, unemployment benefits based on services by a seasonal  
7 worker performed in seasonal employment are payable only for  
8 weeks of unemployment that occur during the normal seasonal work  
9 period. Benefits shall not be paid based on services performed in  
10 seasonal employment for any week of unemployment beginning after  
11 March 28, 1996 that begins during the period between 2 successive  
12 normal seasonal work periods to any individual if that individual  
13 performs the service in the first of the normal seasonal work  
14 periods and if there is a reasonable assurance that the  
15 individual will perform the service for a seasonal employer in  
16 the second of the normal seasonal work periods. If benefits are  
17 denied to an individual for any week solely as a result of this  
18 subsection and the individual is not offered an opportunity to  
19 perform in the second normal seasonal work period for which  
20 reasonable assurance of employment had been given, the individual  
21 is entitled to a retroactive payment of benefits under this  
22 subsection for each week that the individual previously filed a  
23 timely claim for benefits. An individual may apply for any  
24 retroactive benefits under this subsection in accordance with R  
25 421.210 of the Michigan administrative code.

26 (2) Not less than 20 days before the estimated beginning  
27 date of a normal seasonal work period, an employer may apply to

1 the commission in writing for designation as a seasonal employer.  
2 At the time of application, the employer shall conspicuously  
3 display a copy of the application on the employer's premises.  
4 Within 90 days after receipt of the application, the commission  
5 shall determine if the employer is a seasonal employer. A  
6 determination or redetermination of the commission concerning the  
7 status of an employer as a seasonal employer, or a decision of a  
8 referee or the board of review, or of the courts of this state  
9 concerning the status of an employer as a seasonal employer,  
10 which has become final, together with the record thereof, may be  
11 introduced in any proceeding involving a claim for benefits, and  
12 the facts found and decision issued in the determination,  
13 redetermination, or decision shall be conclusive unless  
14 substantial evidence to the contrary is introduced by or on  
15 behalf of the claimant.

16 (3) If the employer is determined to be a seasonal employer,  
17 the employer shall conspicuously display on its premises a notice  
18 of the determination and the beginning and ending dates of the  
19 employer's normal seasonal work periods. The notice shall be  
20 furnished by the commission. The notice shall additionally  
21 specify that an employee must timely apply for unemployment  
22 benefits at the end of a first seasonal work period to preserve  
23 his or her right to receive retroactive unemployment benefits if  
24 he or she is not reemployed by the seasonal employer in the  
25 second of the normal seasonal work periods.

26 (4) The commission may issue a determination terminating an  
27 employer's status as a seasonal employer on the commission's own

1 motion for good cause, or upon the written request of the  
2 employer. A termination determination under this subdivision  
3 terminates an employer's status as a seasonal employer, and  
4 becomes effective on the beginning date of the normal seasonal  
5 work period that would have immediately followed the date the  
6 commission issues the determination. A determination under this  
7 subdivision is subject to review in the same manner and to the  
8 same extent as any other determination under this act.

9 (5) An employer whose status as a seasonal employer is  
10 terminated under subdivision (4) may not reapply for a seasonal  
11 employer status determination until after a regularly recurring  
12 normal seasonal work period has begun and ended.

13 (6) If a seasonal employer informs an employee who received  
14 assurance of being rehired that, despite the assurance, the  
15 employee will not be rehired at the beginning of the employer's  
16 next normal seasonal work period, this subsection does not  
17 prevent the employee from receiving unemployment benefits in the  
18 same manner and to the same extent he or she would receive  
19 benefits under this act from an employer who has not been  
20 determined to be a seasonal employer.

21 (7) A successor of a seasonal employer is considered to be a  
22 seasonal employer unless the successor provides the commission,  
23 within 120 days after the transfer, with a written request for  
24 termination of its status as a seasonal employer in accordance  
25 with subdivision (4).

26 (8) At the time an employee is hired by a seasonal employer,  
27 the employer shall notify the employee in writing if the employee

1 will be a seasonal worker. The employer shall provide the worker  
2 with written notice of any subsequent change in the employee's  
3 status as a seasonal worker. If an employee of a seasonal  
4 employer is denied benefits because that employee is a seasonal  
5 worker, the employee may contest that designation in accordance  
6 with section 32a.

7 (9) As used in this subsection:

8 (a) "Construction industry" means the work activity  
9 designated in sector group 23 - construction of the North  
10 American classification system - United States office of  
11 management and budget, 1997 edition.

12 (b) "Normal seasonal work period" means that period or those  
13 periods of time determined under rules promulgated by the  
14 commission during which an individual is employed in seasonal  
15 employment.

16 (c) "Seasonal employment" means the employment of 1 or more  
17 individuals primarily hired to perform services ~~in an industry,~~  
18 ~~other than the construction industry, that does either of the~~  
19 ~~following:~~

20 ~~—— (1) Customarily operates during regularly recurring periods~~  
21 ~~of 26 weeks or less in any 52 consecutive week 52-WEEK period~~

22 **OTHER THAN SERVICES IN THE CONSTRUCTION INDUSTRY.**

23 ~~—— (2) Customarily employs at least 50% of its employees for~~  
24 ~~regularly recurring periods of 26 weeks or less within a period~~  
25 ~~of 52 consecutive weeks.~~

26 (d) "Seasonal employer" means an employer, other than an  
27 employer in the construction industry, who applies to the

1 commission for designation as a seasonal employer and who the  
2 commission determines ~~to be~~ **IS** an employer whose operations and  
3 business ~~are substantially~~ **REQUIRE EMPLOYEES** engaged in seasonal  
4 employment. **A SEASONAL EMPLOYER DESIGNATION UNDER THIS ACT NEED**  
5 **NOT CORRESPOND TO A CATEGORY ASSIGNED UNDER THE NORTH AMERICAN**  
6 **CLASSIFICATION SYSTEM - UNITED STATES OFFICE OF MANAGEMENT AND**  
7 **BUDGET.**

8 (e) "Seasonal worker" means a worker who has been paid wages  
9 by a seasonal employer for work performed only during the normal  
10 seasonal work period.

11 (10) This subsection does not apply if the United States  
12 department of labor finds it to be contrary to the federal  
13 unemployment tax act, 26 USC 3301 to 3311, or the social security  
14 act, chapter 531, 49 Stat. 620, and if conformity with the  
15 federal law is required as a condition for full tax credit  
16 against the tax imposed under the federal unemployment tax act,  
17 26 USC 3301 to 3311, or as a condition for receipt by the  
18 commission of federal administrative grant funds under the social  
19 security act, chapter 531, 49 Stat. 620.

20 (p) Benefits shall not be paid to an individual based upon  
21 his or her services as a school crossing guard for any week of  
22 unemployment that begins between 2 successive academic years or  
23 terms, if that individual performs the services of a school  
24 crossing guard in the first of the academic years or terms and  
25 has a reasonable assurance that he or she will perform those  
26 services in the second of the academic years or terms.

27 Sec. 28. (1) An unemployed individual ~~shall be~~ **IS** eligible

1 to receive benefits with respect to any week only if the  
2 ~~commission~~ **UNEMPLOYMENT AGENCY** finds that ~~that~~ **ALL OF THE FOLLOWING:**

3 (a) For benefit years established before ~~the conversion date~~  
4 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, the individual has  
5 registered for work at and thereafter has continued to report at  
6 an employment office in accordance with ~~such rules as the~~  
7 ~~commission may prescribe~~ **UNEMPLOYMENT AGENCY RULES** and is seeking  
8 work. The requirements that the individual must report at an  
9 employment office, must register for work, must be available to  
10 perform suitable full-time work, and must seek work may be waived  
11 by the ~~commission~~ **UNEMPLOYMENT AGENCY** if the individual is laid  
12 off and the employer who laid the individual off notifies the  
13 ~~commission~~ **UNEMPLOYMENT AGENCY** in writing or by computerized data  
14 exchange that the layoff is temporary and that work is expected  
15 to be available for the individual within a declared number of  
16 days, not to exceed 45 calendar days following the last day the  
17 individual worked. This waiver shall not be effective unless the  
18 notification from the employer has been received by the  
19 ~~commission~~ **UNEMPLOYMENT AGENCY** before the individual has  
20 completed his or her first compensable week following layoff. If  
21 the individual is not recalled within the specified period, the  
22 waiver shall cease to be operative with respect to that layoff.  
23 Except for a period of disqualification, the requirement that the  
24 individual shall seek work may be waived by the ~~commission~~  
25 **UNEMPLOYMENT AGENCY** where it finds that suitable work is  
26 unavailable both in the locality where the individual resides and  
27 in those localities in which the individual has earned base



1 period credit weeks. This waiver shall not apply, for weeks of  
2 unemployment beginning on or after March 1, 1981, to a claimant  
3 enrolled and attending classes as a full-time student. An  
4 individual ~~shall have~~ **HAS** satisfied the requirement of personal  
5 reporting at an employment office, as applied to a week in a  
6 period during which the requirements of registration and seeking  
7 work have been waived by the ~~commission~~ **UNEMPLOYMENT AGENCY**  
8 pursuant to this subdivision, if the individual has satisfied the  
9 personal reporting requirement with respect to a preceding week  
10 in that period and the individual has reported with respect to  
11 the week by mail in accordance with the rules promulgated by the  
12 ~~commission~~ **UNEMPLOYMENT AGENCY**. For benefit years established **ON**  
13 **OR** after ~~the conversion date prescribed in section 75~~ **OCTOBER 1,**  
14 **2000**, the individual has registered for work and has continued to  
15 report in accordance with ~~such rules as the commission may~~  
16 ~~prescribe~~ **UNEMPLOYMENT AGENCY RULES** and is **ACTIVELY ENGAGED IN**  
17 seeking work. The requirements that the individual must report,  
18 must register for work, must be available to perform suitable  
19 full-time work, and must seek work may be waived by the  
20 ~~commission~~ **UNEMPLOYMENT AGENCY** if the individual is laid off and  
21 the employer who laid the individual off notifies the ~~commission~~  
22 **UNEMPLOYMENT AGENCY** in writing or by computerized data exchange  
23 that the layoff is temporary and that work is expected to be  
24 available for the individual within a declared number of days,  
25 not to exceed 45 calendar days following the last day the  
26 individual worked. This waiver shall not be effective unless the  
27 notification from the employer has been received by the

1 ~~commission~~-**UNEMPLOYMENT AGENCY** before the individual has  
2 completed his or her first compensable week following layoff. If  
3 the individual is not recalled within the specified period, the  
4 waiver shall cease to be operative with respect to that layoff.  
5 Except for a period of disqualification, the requirement that the  
6 individual shall seek work may be waived by the ~~commission~~ where  
7 **UNEMPLOYMENT AGENCY IF** it finds that suitable work is unavailable  
8 both in the locality where the individual resides and in those  
9 localities in which the individual has earned wages during or  
10 after the base period. This waiver ~~shall~~-**DOES** not apply to a  
11 claimant enrolled and attending classes as a full-time student.  
12 An individual ~~shall be~~-**IS** considered to have satisfied the  
13 requirement of personal reporting at an employment office, as  
14 applied to a week in a period during which the requirements of  
15 registration and seeking work have been waived by the ~~commission~~  
16 **UNEMPLOYMENT AGENCY** pursuant to this subdivision, if the  
17 individual has satisfied the personal reporting requirement with  
18 respect to a preceding week in that period and the individual has  
19 reported with respect to the week by mail in accordance with the  
20 rules promulgated by the ~~commission~~-**UNEMPLOYMENT AGENCY**.

21 (b) The individual has made a claim for benefits in  
22 accordance with section 32 and has provided the ~~commission~~  
23 **UNEMPLOYMENT AGENCY** with his or her social security number.

24 (c) The individual is able and available **TO APPEAR AT A**  
25 **LOCATION OF THE UNEMPLOYMENT AGENCY'S CHOOSING FOR EVALUATION OF**  
26 **ELIGIBILITY FOR BENEFITS, IF REQUIRED, AND** to perform suitable  
27 full-time work of a character which the individual is qualified

1 to perform by past experience or training, which is of a  
2 character generally similar to work for which the individual has  
3 previously received wages, and for which the individual is  
4 available, full time, either at a locality at which the  
5 individual earned wages for insured work during his or her base  
6 period or at a locality where it is found by the ~~commission~~  
7 UNEMPLOYMENT AGENCY that such work is available. AN INDIVIDUAL IS  
8 CONSIDERED UNAVAILABLE FOR WORK UNDER ANY OF THE FOLLOWING  
9 CIRCUMSTANCES:

10 (i) THE INDIVIDUAL FAILS DURING A BENEFIT YEAR TO NOTIFY OR  
11 UPDATE A CHARGEABLE EMPLOYER WITH TELEPHONE, ELECTRONIC MAIL, OR  
12 OTHER INFORMATION SUFFICIENT TO ALLOW THE EMPLOYER TO CONTACT THE  
13 INDIVIDUAL ABOUT AVAILABLE WORK.

14 (ii) THE INDIVIDUAL FAILS, WITHOUT GOOD CAUSE, TO RESPOND TO  
15 THE UNEMPLOYMENT AGENCY WITHIN 14 CALENDAR DAYS OF THE LATER OF  
16 THE MAILING OF A NOTICE TO THE ADDRESS OF RECORD REQUIRING THE  
17 INDIVIDUAL TO CONTACT THE UNEMPLOYMENT AGENCY OR OF THE LEAVING  
18 OF A TELEPHONE MESSAGE REQUESTING A RETURN CALL AND PROVIDING A  
19 RETURN NAME AND TELEPHONE NUMBER ON AN AUTOMATED ANSWERING DEVICE  
20 OR WITH AN INDIVIDUAL ANSWERING THE TELEPHONE NUMBER OF RECORD.

21 (iii) UNLESS THE CLAIMANT SHOWS GOOD CAUSE FOR FAILURE TO  
22 RESPOND, MAIL SENT TO THE INDIVIDUAL'S ADDRESS OF RECORD IS  
23 RETURNED AS UNDELIVERABLE AND THE TELEPHONE NUMBER OF RECORD HAS  
24 BEEN DISCONNECTED OR CHANGED OR IS OTHERWISE NO LONGER ASSOCIATED  
25 WITH THE INDIVIDUAL.

26 (d) In the event of the death of an individual's immediate  
27 family member, the eligibility requirements of availability and

1 reporting shall be waived for the day of the death and for 4  
2 consecutive calendar days thereafter. As used in this  
3 subdivision, "immediate family member" means a spouse, child,  
4 stepchild, adopted child, grandchild, parent, grandparent,  
5 brother, or sister of the individual or his or her spouse. It  
6 shall also include the spouse of any of the persons specified in  
7 the previous sentence.

8 (e) The individual participates in reemployment services,  
9 such as job search assistance services, if the individual has  
10 been determined or redetermined by the ~~commission~~-**UNEMPLOYMENT**  
11 **AGENCY** to be likely to exhaust regular benefits and need  
12 reemployment services pursuant to a profiling system established  
13 by the ~~commission~~-**UNEMPLOYMENT AGENCY**.

14 (2) The ~~commission~~-**UNEMPLOYMENT AGENCY** may authorize an  
15 individual with an unexpired benefit year to pursue vocational  
16 training or retraining only if the ~~commission~~-**UNEMPLOYMENT AGENCY**  
17 finds that:

18 (a) Reasonable opportunities for employment in occupations  
19 for which the individual is fitted by training and experience do  
20 not exist in the locality in which the individual is claiming  
21 benefits.

22 (b) The vocational training course relates to an occupation  
23 or skill for which there are, or are expected to be in the  
24 immediate future, reasonable employment opportunities.

25 (c) The training course has been approved by a local  
26 advisory council on which both management and labor are  
27 represented, or if there is no local advisory council, by the

1 ~~commission.~~**UNEMPLOYMENT AGENCY.**

2 (d) The individual has the required qualifications and  
3 aptitudes to complete the course successfully.

4 (e) The vocational training course has been approved by the  
5 state board of education and is maintained by a public or private  
6 school or by the ~~commission.~~**UNEMPLOYMENT AGENCY.**

7 (3) Notwithstanding any other provision of this act, an  
8 otherwise eligible individual shall not be ineligible for  
9 benefits because he or she is participating in training with the  
10 approval of the ~~commission.~~**UNEMPLOYMENT AGENCY.** For each week  
11 that the ~~commission.~~**UNEMPLOYMENT AGENCY** finds that an individual  
12 who is claiming benefits under this act and who is participating  
13 in training with the approval of the ~~commission.~~**UNEMPLOYMENT**  
14 **AGENCY,** is satisfactorily pursuing an approved course of  
15 vocational training, it shall waive the requirements that he or  
16 she be available for work and be seeking work as prescribed in  
17 subsection (1)(a) and (c), and it shall find good cause for his  
18 or her failure to apply for suitable work, report to a former  
19 employer for an interview concerning suitable work, or accept  
20 suitable work as required in section 29(1)(c), (d), and (e).

21 (4) The waiver of the requirement that a claimant seek work,  
22 as provided in subsection (1)(a), shall not be applicable to  
23 weeks of unemployment for which the claimant is claiming extended  
24 benefits if section 64(8)(a)(ii) is in effect, unless the  
25 individual is participating in training approved by the  
26 ~~commission.~~**UNEMPLOYMENT AGENCY.**

27 (5) Notwithstanding any other provisions of this act, an

1 otherwise eligible individual shall not be denied benefits for  
2 any week beginning after October 30, 1982 solely because the  
3 individual is in training approved under section 236(a)(1) of the  
4 trade act of 1974, as amended, 19 ~~U.S.C.~~ **USC** 2296, nor shall the  
5 individual be denied benefits by reason of leaving work to enter  
6 such training if the work left is not suitable employment.

7 Furthermore, an otherwise eligible individual shall not be denied  
8 benefits because of the application to any such week in training  
9 of provisions of this act, or any applicable federal unemployment  
10 compensation law, relating to availability for work, active  
11 search for work, or refusal to accept work. For purposes of this  
12 subsection, "suitable employment" means, with respect to an  
13 individual, work of a substantially equal or higher skill level  
14 than the individual's past adversely affected employment, as  
15 defined for purposes of the trade act of 1974, 19 ~~U.S.C.~~ **USC** 2101  
16 to 2495, and wages for that work at not less than 80% of the  
17 individual's average weekly wage as determined for the purposes  
18 of the trade act of 1974.

19       **(6) FOR PURPOSES OF THIS SECTION, FOR BENEFIT YEARS**  
20 **BEGINNING ON OR AFTER JANUARY 1, 2013, TO BE ACTIVELY ENGAGED IN**  
21 **SEEKING WORK, AN INDIVIDUAL MUST CONDUCT A SYSTEMATIC AND**  
22 **SUSTAINED SEARCH FOR WORK IN EACH WEEK THE INDIVIDUAL IS CLAIMING**  
23 **BENEFITS, USING ANY OF THE FOLLOWING METHODS TO REPORT THE**  
24 **DETAILS OF THE WORK SEARCH:**

25       **(A) REPORTING AT MONTHLY INTERVALS ON THE UNEMPLOYMENT**  
26 **AGENCY'S ONLINE REPORTING SYSTEM THE NAME OF EACH EMPLOYER AND**  
27 **PHYSICAL OR ONLINE LOCATION OF EACH EMPLOYER WHERE WORK WAS**

1 SOUGHT AND THE DATE AND METHOD BY WHICH WORK WAS SOUGHT WITH EACH  
2 EMPLOYER.

3 (B) FILING A WRITTEN REPORT WITH THE UNEMPLOYMENT AGENCY BY  
4 MAIL OR FACSIMILE TRANSMISSION NOT LATER THAN THE END OF THE  
5 FOURTH CALENDAR WEEK AFTER THE END OF THE WEEK IN WHICH THE  
6 INDIVIDUAL ENGAGED IN THE WORK SEARCH, ON A FORM APPROVED BY THE  
7 UNEMPLOYMENT AGENCY, INDICATING THE NAME OF EACH EMPLOYER AND  
8 PHYSICAL OR ONLINE LOCATION OF EACH EMPLOYER WHERE WORK WAS  
9 SOUGHT AND THE DATE AND METHOD BY WHICH WORK WAS SOUGHT WITH EACH  
10 EMPLOYER.

11 (C) APPEARING AT LEAST MONTHLY IN PERSON AT A MICHIGAN WORKS  
12 AGENCY OFFICE TO REPORT THE NAME AND PHYSICAL OR ONLINE LOCATION  
13 OF EACH EMPLOYER WHERE THE INDIVIDUAL SOUGHT WORK DURING THE  
14 PREVIOUS MONTH AND THE DATE AND METHOD BY WHICH WORK WAS SOUGHT  
15 WITH EACH EMPLOYER.

16 (7) THE WORK SEARCH CONDUCTED BY THE CLAIMANT IS SUBJECT TO  
17 RANDOM AUDIT BY THE UNEMPLOYMENT AGENCY.

18 Sec. 29. (1) Except as provided in subsection (5), an  
19 individual is disqualified from receiving benefits if he or she:

20 (a) Left work voluntarily without good cause attributable to  
21 the employer or employing unit. An individual who left work is  
22 presumed to have left work voluntarily without good cause  
23 attributable to the employer or employing unit. **AN INDIVIDUAL WHO**  
24 **IS ABSENT FROM WORK FOR A PERIOD OF 3 CONSECUTIVE WORK DAYS OR**  
25 **MORE WITHOUT CONTACTING THE EMPLOYER IN A MANNER ACCEPTABLE TO**  
26 **THE EMPLOYER AND OF WHICH THE INDIVIDUAL WAS INFORMED AT THE TIME**  
27 **OF HIRE SHALL BE CONSIDERED TO HAVE VOLUNTARILY LEFT WORK WITHOUT**

Senate Bill No. 806 as amended December 1, 2011

1 GOOD CAUSE ATTRIBUTABLE TO THE EMPLOYER. AN INDIVIDUAL WHO  
2 BECOMES UNEMPLOYED AS A RESULT OF NEGLIGENTLY LOSING A  
3 REQUIREMENT FOR THE JOB OF WHICH HE OR SHE WAS INFORMED AT THE  
4 TIME OF HIRE SHALL BE CONSIDERED TO HAVE VOLUNTARILY LEFT WORK  
5 WITHOUT GOOD CAUSE ATTRIBUTABLE TO THE EMPLOYER. An individual  
6 claiming benefits under this act has the burden of proof to  
7 establish that he or she left work involuntarily or for good  
8 cause that was attributable to the employer or employing unit. **AN**  
9 **INDIVIDUAL CLAIMING TO HAVE LEFT WORK INVOLUNTARILY <<FOR MEDICAL**  
10 **REASONS>> MUST HAVE**  
11 **DONE ALL OF THE FOLLOWING BEFORE THE LEAVING: SECURED A STATEMENT**  
12 **FROM A MEDICAL PROFESSIONAL THAT CONTINUING IN THE INDIVIDUAL'S**  
13 **CURRENT JOB WOULD BE HARMFUL TO THE INDIVIDUAL'S PHYSICAL OR**  
14 **MENTAL HEALTH; UNSUCCESSFULLY ATTEMPTED TO SECURE ALTERNATIVE**  
15 **WORK WITH THE EMPLOYER; AND UNSUCCESSFULLY ATTEMPTED TO BE PLACED**  
16 **ON A LEAVE OF ABSENCE WITH THE EMPLOYER TO LAST UNTIL THE**  
17 **INDIVIDUAL'S MENTAL OR PHYSICAL HEALTH WOULD NO LONGER BE HARMED**  
18 **BY THE CURRENT JOB.** However, if either ~~ANY~~ of the following  
19 conditions is met, the leaving does not disqualify the  
individual:

20 (i) The individual has an established benefit year in effect  
21 and during that benefit year leaves unsuitable work within 60  
22 days after the beginning of that work.

23 (ii) The individual is the spouse of a full-time member of  
24 the United States armed forces, and the leaving is due to the  
25 military duty reassignment of that member of the United States  
26 armed forces to a different geographic location. **BENEFITS PAID IN**  
27 **ACCORDANCE WITH THIS SUBDIVISION SHALL NOT BE CHARGED TO THE**



1 ACCOUNT OF THE EMPLOYER THE INDIVIDUAL LEFT, BUT SHALL BE CHARGED  
2 INSTEAD TO THE NONCHARGEABLE BENEFIT ACCOUNT.

3 (iii) THE INDIVIDUAL IS CONCURRENTLY WORKING PART-TIME FOR AN  
4 EMPLOYER OR EMPLOYING UNIT AND FULL-TIME FOR ANOTHER EMPLOYER OR  
5 EMPLOYING UNIT AND VOLUNTARILY LEAVES THE PART-TIME WORK AND  
6 CONTINUES THE FULL-TIME WORK. THE PORTION OF THE BENEFITS PAID IN  
7 ACCORDANCE WITH THIS SUBDIVISION THAT WOULD OTHERWISE BE CHARGED  
8 TO THE ACCOUNT OF THE PART-TIME EMPLOYER THAT THE INDIVIDUAL LEFT  
9 SHALL NOT BE CHARGED TO THE ACCOUNT OF THAT EMPLOYER, BUT SHALL  
10 BE CHARGED INSTEAD TO THE NONCHARGEABLE BENEFIT ACCOUNT.

11 (b) Was suspended or discharged for misconduct connected  
12 with the individual's work or for intoxication while at work.

13 (c) Failed without good cause to apply **DILIGENTLY** for  
14 available suitable work after receiving ~~from the employment~~  
15 ~~office or the commission~~ notice **FROM THE UNEMPLOYMENT AGENCY** of  
16 the availability of that work **OR FAILED TO APPLY FOR WORK WITH**  
17 **EMPLOYERS THAT COULD REASONABLY BE EXPECTED TO HAVE SUITABLE WORK**  
18 **AVAILABLE.**

19 (d) Failed without good cause while unemployed to report to  
20 the individual's former employer or employing unit within a  
21 reasonable time after that employer or employing unit provided  
22 notice of the availability of an interview concerning available  
23 suitable work with the former employer or employing unit.

24 (e) Failed without good cause to accept suitable work  
25 offered to the individual or to return to the individual's  
26 customary self-employment, if any, when directed by the  
27 employment office or the ~~commission~~ **UNEMPLOYMENT AGENCY**. An

1 employer that receives a monetary determination under section 32  
2 may notify the unemployment agency regarding the availability of  
3 suitable work with the employer on the monetary determination or  
4 other form provided by the unemployment agency. Upon receipt of  
5 the notice of the availability of suitable work, the unemployment  
6 agency shall notify the claimant of the availability of suitable  
7 work.

8 (f) Lost his or her job due to absence from work resulting  
9 from a violation of law for which the individual was convicted  
10 and sentenced to jail or prison. This subdivision does not apply  
11 if conviction of an individual results in a sentence to county  
12 jail under conditions of day parole as provided in 1962 PA 60,  
13 MCL 801.251 to 801.258, or if the conviction was for a traffic  
14 violation that resulted in an absence of less than 10 consecutive  
15 work days from the individual's place of employment.

16 (g) Is discharged, whether or not the discharge is  
17 subsequently reduced to a disciplinary layoff or suspension, for  
18 participation in either of the following:

19 (i) A strike or other concerted action in violation of an  
20 applicable collective bargaining agreement that results in  
21 curtailment of work or restriction of or interference with  
22 production.

23 (ii) A wildcat strike or other concerted action not  
24 authorized by the individual's recognized bargaining  
25 representative.

26 (h) Was discharged for an act of assault and battery  
27 connected with the individual's work.

1 (i) Was discharged for theft connected with the individual's  
2 work.

3 (j) Was discharged for willful destruction of property  
4 connected with the individual's work.

5 (k) Committed a theft after receiving notice of a layoff or  
6 discharge, but before the effective date of the layoff or  
7 discharge, resulting in loss or damage to the employer who would  
8 otherwise be chargeable for the benefits, regardless of whether  
9 the individual qualified for the benefits before the theft.

10 (l) Was employed by a temporary help firm, which as used in  
11 this section means an employer whose primary business is to  
12 provide a client with the temporary services of 1 or more  
13 individuals under contract with the employer, to perform services  
14 for a client of that firm if each of the following conditions is  
15 met:

16 (i) The temporary help firm provided the employee with a  
17 written notice before the employee began performing services for  
18 the client stating in substance both of the following:

19 (A) That within 7 days after completing services for a  
20 client of the temporary help firm, the employee is under a duty  
21 to notify the temporary help firm of the completion of those  
22 services.

23 (B) That a failure to provide the temporary help firm with  
24 notice of the employee's completion of services pursuant to sub-  
25 subparagraph (A) constitutes a voluntary quit that will affect  
26 the employee's eligibility for unemployment compensation should  
27 the employee seek unemployment compensation following completion

1 of those services.

2 (ii) The employee did not provide the temporary help firm  
3 with notice that the employee had completed his or her services  
4 for the client within 7 days after completion of his or her  
5 services for the client.

6 (m) Was discharged for illegally ingesting, injecting,  
7 inhaling, or possessing a controlled substance on the premises of  
8 the employer; refusing to submit to a drug test that was required  
9 to be administered in a nondiscriminatory manner; or testing  
10 positive on a drug test, if the test was administered in a  
11 nondiscriminatory manner. If the worker disputes the result of  
12 the testing, **AND IF** a generally accepted confirmatory test shall  
13 ~~be administered and shall also indicate a positive result for the~~  
14 ~~presence of a controlled substance before a disqualification of~~  
15 ~~the worker under this subdivision.~~ **HAS NOT BEEN ADMINISTERED ON**  
16 **THE SAME SAMPLE PREVIOUSLY TESTED, THEN A GENERALLY ACCEPTED**  
17 **CONFIRMATORY TEST SHALL BE ADMINISTERED ON THAT SAMPLE. IF THE**  
18 **CONFIRMATORY TEST ALSO INDICATES A POSITIVE RESULT FOR THE**  
19 **PRESENCE OF A CONTROLLED SUBSTANCE, THE WORKER WHO IS DISCHARGED**  
20 **AS A RESULT OF THE TEST RESULT WILL BE DISQUALIFIED UNDER THIS**  
21 **SUBDIVISION. A REPORT BY A DRUG TESTING FACILITY SHOWING A**  
22 **POSITIVE RESULT FOR THE PRESENCE OF A CONTROLLED SUBSTANCE IS**  
23 **CONCLUSIVE UNLESS THERE IS SUBSTANTIAL EVIDENCE TO THE CONTRARY.**  
24 As used in this subdivision:

25 (i) "Controlled substance" means that term as defined in  
26 section 7104 of the public health code, 1978 PA 368, MCL  
27 333.7104.

1           (ii) "Drug test" means a test designed to detect the illegal  
2 use of a controlled substance.

3           (iii) "Nondiscriminatory manner" means administered  
4 impartially and objectively in accordance with a collective  
5 bargaining agreement, rule, policy, a verbal or written notice,  
6 or a labor-management contract.

7           **(N) THEFT FROM THE EMPLOYER THAT RESULTED IN THE EMPLOYEE'S**  
8 **CONVICTION, WITHIN 2 YEARS OF THE DATE OF THE DISCHARGE, OF THEFT**  
9 **OR A LESSER INCLUDED OFFENSE.**

10          (2) A disqualification under subsection (1) begins the week  
11 in which the act or discharge that caused the disqualification  
12 occurs and continues until the disqualified individual  
13 requalifies under subsection (3), except that for benefit years  
14 beginning before October 1, 2000, the disqualification does not  
15 prevent the payment of benefits if there are credit weeks, other  
16 than multiemployer credit weeks, after the most recent  
17 disqualifying act or discharge.

18          (3) After the week in which the disqualifying act or  
19 discharge described in subsection (1) occurs, an individual who  
20 seeks to requalify for benefits is subject to all of the  
21 following:

22          (a) For benefit years established before October 1, 2000,  
23 the individual shall complete 6 requalifying weeks if he or she  
24 was disqualified under subsection (1)(c), (d), (e), (f), (g), or  
25 (l), or 13 requalifying weeks if he or she was disqualified under  
26 subsection (1)(h), (i), (j), (k), or (m). A requalifying week  
27 required under this subdivision is each week in which the

1 individual does any of the following:

2 (i) Earns or receives remuneration in an amount at least  
3 equal to an amount needed to earn a credit week, as that term is  
4 defined in section 50.

5 (ii) Otherwise meets all of the requirements of this act to  
6 receive a benefit payment if the individual were not disqualified  
7 under subsection (1).

8 (iii) Receives a benefit payment based on credit weeks  
9 subsequent to the disqualifying act or discharge.

10 (b) For benefit years established before October 1, 2000, if  
11 the individual is disqualified under subsection (1)(a) or (b), he  
12 or she shall requalify, after the week in which the disqualifying  
13 discharge occurred by earning in employment for an employer  
14 liable under this act or the unemployment compensation act of  
15 another state an amount equal to, or in excess of, 7 times the  
16 individual's potential weekly benefit rate, calculated on the  
17 basis of employment with the employer involved in the  
18 disqualification, or by earning in employment for an employer  
19 liable under this act or the unemployment compensation act of  
20 another state an amount equal to, or in excess of, 40 times the  
21 state minimum hourly wage times 7, whichever is the lesser  
22 amount.

23 (c) For benefit years established before October 1, 2000, a  
24 benefit payable to an individual disqualified under subsection  
25 (1)(a) or (b) shall be charged to the nonchargeable benefits  
26 account, and not to the account of the employer with whom the  
27 individual was involved in the disqualification.

1 (d) For benefit years beginning on or after October 1, 2000,  
2 after the week in which the disqualifying act or discharge  
3 occurred, an individual shall complete 13 requalifying weeks if  
4 he or she was disqualified under subsection (1)(c), (d), (e),  
5 (f), (g), or (l), or 26 requalifying weeks if he or she was  
6 disqualified under subsection (1)(h), (i), (j), (k), ~~or~~(m), **OR**  
7 **(N)**. A requalifying week required under this subdivision is each  
8 week in which the individual does any of the following:

9 (i) Earns or receives remuneration in an amount equal to at  
10 least 1/13 of the minimum amount needed in a calendar quarter of  
11 the base period for an individual to qualify for benefits,  
12 rounded down to the nearest whole dollar.

13 (ii) Otherwise meets all of the requirements of this act to  
14 receive a benefit payment if the individual was not disqualified  
15 under subsection (1).

16 (e) For benefit years beginning on or after October 1, 2000  
17 and beginning before April 26, 2002, if the individual is  
18 disqualified under subsection (1)(a) or (b), he or she shall  
19 requalify, after the week in which the disqualifying act or  
20 discharge occurred by earning in employment for an employer  
21 liable under this act or the unemployment compensation law of  
22 another state at least the lesser of the following:

23 (i) Seven times the individual's weekly benefit rate.

24 (ii) Forty times the state minimum hourly wage times 7.

25 (f) For benefit years beginning on or after April 26, 2002,  
26 if the individual is disqualified under subsection (1)(a), he or  
27 she shall requalify, after the week in which the disqualifying

1 act or discharge occurred by earning in employment for an  
2 employer liable under this act or the unemployment compensation  
3 law of another state at least 12 times the individual's weekly  
4 benefit rate.

5 (g) For benefit years beginning on or after April 26, 2002,  
6 if the individual is disqualified under subsection (1)(b), he or  
7 she shall requalify, after the week in which the disqualifying  
8 act or discharge occurred by earning in employment for an  
9 employer liable under this act or the unemployment compensation  
10 law of another state at least 17 times the individual's weekly  
11 benefit rate.

12 (h) A benefit payable to the individual disqualified or  
13 separated under disqualifying circumstances under subsection  
14 (1)(a) or (b), shall be charged to the nonchargeable benefits  
15 account, and not to the account of the employer with whom the  
16 individual was involved in the separation. Benefits payable to an  
17 individual determined by the ~~commission~~ **UNEMPLOYMENT AGENCY** to be  
18 separated under disqualifying circumstances shall not be charged  
19 to the account of the employer involved in the disqualification  
20 for any period after the employer notifies the ~~commission~~  
21 **UNEMPLOYMENT AGENCY** of the claimant's possible ineligibility or  
22 disqualification. **HOWEVER, AN INDIVIDUAL FILING A NEW CLAIM FOR**  
23 **BENEFITS WHO REPORTS THE REASON FOR SEPARATION FROM A BASE PERIOD**  
24 **EMPLOYER AS A VOLUNTARY LEAVING SHALL BE PRESUMED TO HAVE**  
25 **VOLUNTARILY LEFT WITHOUT GOOD CAUSE ATTRIBUTABLE TO THE EMPLOYER**  
26 **AND SHALL BE DISQUALIFIED UNLESS THE INDIVIDUAL PROVIDES**  
27 **SUBSTANTIAL EVIDENCE TO REBUT THE PRESUMPTION.** If a disqualifying



1 act or discharge occurs during the individual's benefit year, any  
2 benefits that may become payable to the individual in a later  
3 benefit year based on employment with the employer involved in  
4 the disqualification shall be charged to the nonchargeable  
5 benefits account.

6 (4) The maximum amount of benefits otherwise available under  
7 section 27(d) to an individual disqualified under subsection (1)  
8 is subject to all of the following conditions:

9 (a) For benefit years established before October 1, 2000, if  
10 the individual is disqualified under subsection (1)(c), (d), (e),  
11 (f), (g), or (l) and the maximum amount of benefits is based on  
12 wages and credit weeks earned from an employer before an act or  
13 discharge involving that employer, the amount shall be reduced by  
14 an amount equal to the individual's weekly benefit rate as to  
15 that employer multiplied by the lesser of either of the  
16 following:

17 (i) The number of requalifying weeks required of the  
18 individual under this section.

19 (ii) The number of weeks of benefit entitlement remaining  
20 with that employer.

21 (b) If the individual has insufficient or no potential  
22 benefit entitlement remaining with the employer involved in the  
23 disqualification in the benefit year in existence on the date of  
24 the disqualifying determination, a reduction of benefits  
25 described in this subsection applies in a succeeding benefit year  
26 with respect to any benefit entitlement based upon credit weeks  
27 earned with the employer before the disqualifying act or

1 discharge.

2 (c) For benefit years established before October 1, 2000, an  
3 individual disqualified under subsection (1)(h), (i), (j), (k),  
4 or (m) is not entitled to benefits based on wages and credit  
5 weeks earned before the disqualifying act or discharge with the  
6 employer involved in the disqualification.

7 (d) The benefit entitlement of an individual disqualified  
8 under subsection (1)(a) or (b) is not subject to reduction as a  
9 result of that disqualification.

10 (e) A denial or reduction of benefits under this subsection  
11 does not apply to benefits based upon multiemployer credit weeks.

12 (f) For benefit years established on or after October 1,  
13 2000, if the individual is disqualified under subsection (1)(c),  
14 (d), (e), (f), (g), or (l), the maximum number of weeks otherwise  
15 applicable in calculating benefits for the individual under  
16 section 27(d) shall be reduced by the lesser of the following:

17 (i) The number of requalifying weeks required of the  
18 individual under this section.

19 (ii) The number of weeks of benefit entitlement remaining on  
20 the claim.

21 (g) For benefit years beginning on or after October 1, 2000,  
22 the benefits of an individual disqualified under subsection  
23 (1)(h), (i), (j), (k), ~~or~~ (m), **OR (N)** shall be reduced by 13  
24 weeks and any weekly benefit payments made to the claimant  
25 thereafter shall be reduced by the portion of the payment  
26 attributable to base period wages paid by the base period  
27 employer involved in a disqualification under subsection (1)(h),

1 (i), (j), (k), ~~or~~ (m), OR (N).

2 (5) If an individual leaves ~~work~~-EMPLOYMENT to accept  
3 permanent full-time ~~work~~-EMPLOYMENT with another employer and  
4 performs services for that employer, or if an individual leaves  
5 ~~work~~-EMPLOYMENT to accept a recall from a former employer, all of  
6 the following apply:

7 (a) Subsection (1) does not apply.

8 (b) Wages earned with the employer whom the individual last  
9 left, including wages previously transferred under this  
10 subsection to the last employer, for the purpose of computing and  
11 charging benefits, are wages earned from the employer with whom  
12 the individual accepted work or recall, and benefits paid based  
13 upon those wages shall be charged to that employer.

14 (c) When issuing a determination covering the period of  
15 employment with a new or former employer described in this  
16 subsection, the ~~commission~~-UNEMPLOYMENT AGENCY shall advise the  
17 chargeable employer of the name and address of the other  
18 employer, the period covered by the employment, and the extent of  
19 the benefits that may be charged to the account of the chargeable  
20 employer.

21 (6) In determining whether work is suitable for an  
22 individual, the ~~commission~~-UNEMPLOYMENT AGENCY shall consider the  
23 degree of risk involved to the individual's health, safety, and  
24 morals, the individual's physical fitness and prior training, the  
25 individual's length of unemployment and prospects for securing  
26 local work in the individual's customary occupation, and the  
27 distance of the available work from the individual's residence.

1 Additionally, the ~~commission~~ **UNEMPLOYMENT AGENCY** shall consider  
2 the individual's experience and prior earnings, but an unemployed  
3 individual who refuses an offer of work determined to be suitable  
4 under this section shall be denied benefits if the pay rate for  
5 that work is at least 70% of the gross pay rate he or she  
6 received immediately before becoming unemployed. **BEGINNING**  
7 **JANUARY 15, 2012, AFTER AN INDIVIDUAL HAS RECEIVED BENEFITS FOR**  
8 **50% OF THE BENEFIT WEEKS IN THE INDIVIDUAL'S BENEFIT YEAR, WORK**  
9 **SHALL NOT BE CONSIDERED UNSUITABLE BECAUSE IT IS OUTSIDE OF THE**  
10 **INDIVIDUAL'S TRAINING OR EXPERIENCE OR UNSUITABLE AS TO PAY RATE**  
11 **IF THE PAY RATE FOR THAT WORK MEETS OR EXCEEDS THE MINIMUM WAGE;**  
12 **IS AT LEAST THE PREVAILING MEAN WAGE FOR SIMILAR WORK IN THE**  
13 **LOCALITY FOR THE MOST RECENT FULL CALENDAR YEAR FOR WHICH DATA**  
14 **ARE AVAILABLE AS PUBLISHED BY THE DEPARTMENT OF TECHNOLOGY,**  
15 **MANAGEMENT, AND BUDGET AS "WAGES BY JOB TITLE", BY STANDARD**  
16 **METROPOLITAN STATISTICAL AREA; AND IS 120% OR MORE OF THE**  
17 **INDIVIDUAL'S WEEKLY BENEFIT AMOUNT.**

18 (7) Work is not suitable and benefits shall not be denied  
19 under this act to an otherwise eligible individual for refusing  
20 to accept new work under any of the following conditions:

21 (a) If the position offered is vacant due directly to a  
22 strike, lockout, or other labor dispute.

23 (b) If the remuneration, hours, or other conditions of the  
24 work offered are substantially less favorable to the individual  
25 than those prevailing for similar work in the locality.

26 (c) If as a condition of being employed, the individual  
27 would be required to join a company union or to resign from or

1 refrain from joining a bona fide labor organization.

2 (8) All of the following apply to an individual who seeks  
3 benefits under this act:

4 (a) An individual is disqualified from receiving benefits  
5 for a week in which the individual's total or partial  
6 unemployment is due to either of the following:

7 (i) A labor dispute in active progress at the place at which  
8 the individual is or was last employed, or a shutdown or start-up  
9 operation caused by that labor dispute.

10 (ii) A labor dispute, other than a lockout, in active  
11 progress or a shutdown or start-up operation caused by that labor  
12 dispute in any other establishment within the United States that  
13 is both functionally integrated with the establishment described  
14 in subparagraph (i) and operated by the same employing unit.

15 (b) An individual's disqualification imposed or imposable  
16 under this subsection is terminated if the individual performs  
17 services in employment with an employer in at least 2 consecutive  
18 weeks falling wholly within the period of the individual's total  
19 or partial unemployment due to the labor dispute, and in addition  
20 earns wages in each of those weeks in an amount equal to or  
21 greater than the individual's actual or potential weekly benefit  
22 rate. ~~with respect to those weeks based on the individual's~~  
23 ~~employment with the employer involved in the labor dispute.~~

24 (c) An individual is not disqualified under this subsection  
25 if the individual is not directly involved in the labor dispute.  
26 An individual is not directly involved in a labor dispute unless  
27 any of the following are established:

1           (i) At the time or in the course of a labor dispute in the  
2 establishment in which the individual was then employed, the  
3 individual in concert with 1 or more other employees voluntarily  
4 stopped working other than at the direction of the individual's  
5 employing unit.

6           (ii) The individual is participating in, financing, or  
7 directly interested in the labor dispute that causes the  
8 individual's total or partial unemployment. The payment of  
9 regular union dues, in amounts and for purposes established  
10 before the inception of the labor dispute, is not financing a  
11 labor dispute within the meaning of this subparagraph.

12           (iii) At any time a labor dispute in the establishment or  
13 department in which the individual was employed does not exist,  
14 and the individual voluntarily stops working, other than at the  
15 direction of the individual's employing unit, in sympathy with  
16 employees in some other establishment or department in which a  
17 labor dispute is in progress.

18           (iv) The individual's total or partial unemployment is due to  
19 a labor dispute that was or is in progress in a department, unit,  
20 or group of workers in the same establishment.

21           (d) As used in this subsection, "directly interested" shall  
22 be construed and applied so as not to disqualify individuals  
23 unemployed as a result of a labor dispute the resolution of which  
24 may not reasonably be expected to affect their wages, hours, or  
25 other conditions of employment, and to disqualify individuals  
26 whose wages, hours, or conditions of employment may reasonably be  
27 expected to be affected by the resolution of the labor dispute. A

1 "reasonable expectation" of an effect on an individual's wages,  
2 hours, or other conditions of employment exists, in the absence  
3 of a substantial preponderance of evidence to the contrary, in  
4 any of the following situations:

5 (i) If it is established that there is in the particular  
6 establishment or employing unit a practice, custom, or  
7 contractual obligation to extend within a reasonable period to  
8 members of the individual's grade or class of workers in the  
9 establishment in which the individual is or was last employed  
10 changes in terms and conditions of employment that are  
11 substantially similar or related to some or all of the changes in  
12 terms and conditions of employment that are made for the workers  
13 among whom there exists the labor dispute that has caused the  
14 individual's total or partial unemployment.

15 (ii) If it is established that 1 of the issues in or purposes  
16 of the labor dispute is to obtain a change in the terms and  
17 conditions of employment for members of the individual's grade or  
18 class of workers in the establishment in which the individual is  
19 or was last employed.

20 (iii) If a collective bargaining agreement covers both the  
21 individual's grade or class of workers in the establishment in  
22 which the individual is or was last employed and the workers in  
23 another establishment of the same employing unit who are actively  
24 participating in the labor dispute, and that collective  
25 bargaining agreement is subject by its terms to modification,  
26 supplementation, or replacement, or has expired or been opened by  
27 mutual consent at the time of the labor dispute.

1 (e) In determining the scope of the grade or class of  
2 workers, evidence of the following is relevant:

3 (i) Representation of the workers by the same national or  
4 international organization or by local affiliates of that  
5 national or international organization.

6 (ii) Whether the workers are included in a single, legally  
7 designated, or negotiated bargaining unit.

8 (iii) Whether the workers are or within the past 6 months have  
9 been covered by a common master collective bargaining agreement  
10 that sets forth all or any part of the terms and conditions of  
11 the workers' employment, or by separate agreements that are or  
12 have been bargained as a part of the same negotiations.

13 (iv) Any functional integration of the work performed by  
14 those workers.

15 (v) Whether the resolution of those issues involved in the  
16 labor dispute as to some of the workers could directly or  
17 indirectly affect the advancement, negotiation, or settlement of  
18 the same or similar issues in respect to the remaining workers.

19 (vi) Whether the workers are currently or have been covered  
20 by the same or similar demands by their recognized or certified  
21 bargaining agent or agents for changes in their wages, hours, or  
22 other conditions of employment.

23 (vii) Whether issues on the same subject matter as those  
24 involved in the labor dispute have been the subject of proposals  
25 or demands made upon the employing unit that would by their terms  
26 have applied to those workers.

27 (9) Notwithstanding subsections (1) to (8), if the employing



1 unit submits notice to the ~~commission~~-**UNEMPLOYMENT AGENCY** of  
2 possible ineligibility or disqualification beyond the time limits  
3 prescribed by ~~commission~~-**UNEMPLOYMENT AGENCY** rule, the notice  
4 shall not form the basis of a determination of ineligibility or  
5 disqualification for a claim period compensated before the  
6 receipt of the notice by the ~~commission~~-**UNEMPLOYMENT AGENCY**.

7 (10) An individual is disqualified from receiving benefits  
8 for any week or part of a week in which the individual has  
9 received, is receiving, or is seeking unemployment benefits under  
10 an unemployment compensation law of another state or of the  
11 United States. If the appropriate agency of the other state or of  
12 the United States finally determines that the individual is not  
13 entitled to unemployment benefits, the disqualification described  
14 in this subsection does not apply.

15 Sec. 32a. (1) Upon application by an interested party for  
16 review of a determination, upon request for transfer to a ~~referee~~  
17 **AN ADMINISTRATIVE LAW JUDGE** for a hearing filed with the  
18 ~~commission~~-**UNEMPLOYMENT AGENCY** within 30 days after the mailing  
19 or personal service of a notice of determination, or upon the  
20 ~~commission's~~-**UNEMPLOYMENT AGENCY'S** own motion within that 30-day  
21 period, the ~~commission~~-**UNEMPLOYMENT AGENCY** shall review any  
22 determination. After review, the ~~commission~~-**UNEMPLOYMENT AGENCY**  
23 shall issue a redetermination affirming, modifying, or reversing  
24 the prior determination and stating the reasons for the  
25 redetermination, or may in its discretion transfer the matter to  
26 a ~~referee~~-**AN ADMINISTRATIVE LAW JUDGE** for a hearing. If a  
27 redetermination is issued, the ~~commission~~-**UNEMPLOYMENT AGENCY**

1 shall promptly notify the interested parties of the  
2 redetermination, the redetermination is final unless within 30  
3 days after the mailing or personal service of a notice of the  
4 redetermination an appeal is filed with the ~~commission~~  
5 **UNEMPLOYMENT AGENCY** for a hearing on the redetermination before a  
6 ~~referee~~**AN ADMINISTRATIVE LAW JUDGE** in accordance with section  
7 33.

8 (2) The ~~commission~~**UNEMPLOYMENT AGENCY** may, for good cause,  
9 including any administrative clerical error, reconsider a prior  
10 determination or redetermination after the 30-day period has  
11 expired and after reconsideration issue a redetermination  
12 affirming, modifying, or reversing the prior determination or  
13 redetermination, or transfer the matter to a ~~referee~~**AN**  
14 **ADMINISTRATIVE LAW JUDGE** for a hearing. A reconsideration shall  
15 not be made unless the request is filed with the ~~commission~~  
16 **UNEMPLOYMENT AGENCY** , or reconsideration is initiated by the  
17 ~~commission~~**UNEMPLOYMENT AGENCY** with notice to the interested  
18 parties, within 1 year from the date of mailing or personal  
19 service of the original determination on the disputed issue.

20 (3) If an interested party fails to file a protest within  
21 the 30-day period and the ~~commission~~**UNEMPLOYMENT AGENCY** for good  
22 cause reconsiders a prior determination or redetermination and  
23 issues a redetermination, a disqualification, or an ineligibility  
24 imposed thereunder, other than an ineligibility imposed due to  
25 receipt of retroactive pay, the redetermination,  
26 disqualification, or ineligibility does not apply to a  
27 compensable period for which benefits were paid or are payable

1 unless the benefits were obtained as a result of an  
2 administrative clerical error, a false statement, or a  
3 nondisclosure or misrepresentation of a material fact by the  
4 claimant. However, the redetermination is final unless within 30  
5 days after the date of mailing or personal service of the notice  
6 of redetermination an appeal is filed for a hearing on the  
7 redetermination before a ~~referee~~ **AN ADMINISTRATIVE LAW JUDGE** in  
8 accordance with section 33.

9 (4) In addition to the transfer provisions in subsections  
10 (1) and (2), both of the following apply:

11 (a) If both the claimant and the employer agree, the matter  
12 may be transferred directly to a ~~referee~~ **AN ADMINISTRATIVE LAW**  
13 **JUDGE** in a case involving the payment of unemployment benefits.

14 (b) If both the ~~commission~~ **UNEMPLOYMENT AGENCY** and the  
15 employer agree, the matter may be transferred directly to a  
16 ~~referee~~ **AN ADMINISTRATIVE LAW JUDGE** in a case involving  
17 unemployment contributions or reimbursements in lieu of  
18 contributions.

19 Sec. 32b. (1) ~~Not later than 6 months after the effective~~  
20 ~~date of the amendatory act that added this section, the~~ **THE**  
21 unemployment agency shall establish and provide access to a  
22 secure internet site to enable employers to determine if  
23 correspondence sent to the unemployment agency by the employer  
24 has been received.

25 (2) Within 10 days of receiving a ~~request for~~  
26 ~~redetermination or a protest~~ **OR APPEAL** from an employer or  
27 employing unit, the unemployment agency shall post a statement

1 confirming receipt of the ~~request for redetermination or protest~~  
2 **OR APPEAL** from that employer or employing unit on the internet  
3 site required under subsection (1).

4 (3) A PROTEST OR APPEAL SHALL BE SIGNED OR VERIFIED IN A  
5 MANNER PRESCRIBED BY ADMINISTRATIVE RULE AND SHALL BE TRANSMITTED  
6 TO THE AGENCY BY MAIL, FACSIMILE, OR OTHER ELECTRONIC METHOD  
7 APPROVED BY THE AGENCY. IF A PARTY SUBMITS AN UNSIGNED OR  
8 UNVERIFIED PROTEST OR APPEAL, THE UNEMPLOYMENT AGENCY SHALL  
9 NOTIFY THE PARTY OF THE DEFECT THAT PREVENTS THE AGENCY FROM  
10 ACCEPTING THE PROTEST OR APPEAL.

11 Sec. 33. (1) ~~The commission shall appoint an adequate number~~  
12 ~~of impartial referees to hear and decide appeals~~ **AN APPEAL** from a  
13 redetermination issued by the ~~commission~~ **AGENCY** in accordance  
14 with section 32a or ~~to hear and decide a matter transferred~~ **FOR**  
15 **HEARING AND DECISION** in accordance with section 32a **SHALL BE**  
16 **REFERRED TO THE MICHIGAN ADMINISTRATIVE HEARING SYSTEM FOR**  
17 **ASSIGNMENT TO AN ADMINISTRATIVE LAW JUDGE.** If the ~~commission~~  
18 **AGENCY** transfers a matter, or an interested party requests a  
19 hearing before a ~~referee~~ **AN ADMINISTRATIVE LAW JUDGE** on a  
20 redetermination, all matters pertinent to the claimant's benefit  
21 rights or to the liability of the employing unit under this act  
22 shall be referred to a ~~referee~~ **THE ADMINISTRATIVE LAW JUDGE.** The  
23 ~~referee~~ **ADMINISTRATIVE LAW JUDGE** shall afford all interested  
24 parties a reasonable opportunity for a fair hearing and, unless  
25 the appeal is withdrawn, the ~~referee~~ **ADMINISTRATIVE LAW JUDGE**  
26 shall decide the rights of the interested parties and shall  
27 notify the interested parties of the decision, ~~within 60 days,~~

1 setting forth the findings of fact upon which the decision is  
2 based, together with the reasons for the decision. ~~However, with~~  
3 **WITH** respect to an appeal from a denial of redetermination, if  
4 the ~~referee~~**ADMINISTRATIVE LAW JUDGE** finds that there was good  
5 cause for the issuance of a redetermination, the denial shall be  
6 a redetermination affirming the determination and the appeal from  
7 the denial shall be an appeal from that affirmance. ~~However, when~~  
8 ~~the same or substantially similar evidence is material to the~~  
9 ~~matter in issue with respect to more than 1 interested party, the~~  
10 ~~same time and place for considering all the cases may be fixed,~~  
11 ~~hearing on the cases jointly conducted, a single record of the~~  
12 ~~proceedings made, and evidence introduced with respect to 1~~  
13 ~~proceeding considered as introduced in the others, if an~~  
14 ~~interested party is not prejudiced thereby.~~**UNLESS AN INTERESTED**  
15 **PARTY WOULD BE UNDULY PREJUDICED, AN ADMINISTRATIVE LAW JUDGE MAY**  
16 **CONSOLIDATE CASES INVOLVING THE SAME OR SUBSTANTIALLY SIMILAR**  
17 **EVIDENCE OR ISSUES, HEAR THE CONSOLIDATED CASES AT THE SAME DATE**  
18 **AND TIME, CREATE A SINGLE RECORD OF PROCEEDINGS, AND CONSIDER**  
19 **EVIDENCE INTRODUCED IN 1 OF THOSE CASES IN THE OTHER CASES.** If  
20 the appellant fails to appear or prosecute the appeal, the  
21 ~~referee~~**ADMINISTRATIVE LAW JUDGE** may dismiss the proceedings or  
22 take other action considered advisable. ~~A referee~~**AN**  
23 **ADMINISTRATIVE LAW JUDGE** may, either upon application for  
24 rehearing by an interested party or on his or her own motion,  
25 proceed to rehear, affirm, modify, set aside, or reverse a prior  
26 decision on the basis of the evidence previously submitted in the  
27 case, or on the basis of additional evidence. ~~However, the~~**THE**

1 application or motion shall be made within 30 days after the date  
2 of mailing of the decision. The ~~referee~~ **ADMINISTRATIVE LAW JUDGE**  
3 may, for good cause, reopen and review a prior decision ~~of a~~  
4 ~~referee~~ and issue a new decision after the 30-day appeal period  
5 has expired. ~~However, a~~ **A** request for review shall be made within  
6 1 year after the date of mailing of the prior decision. ~~A referee~~  
7 **AN ADMINISTRATIVE LAW JUDGE** shall not participate in a case in  
8 which he or she has a direct or indirect interest.

9 (2) ~~An interested party within~~ **WITHIN** 30 days after the  
10 mailing of a copy of a decision of the ~~referee~~ **ADMINISTRATIVE LAW**  
11 **JUDGE** or of a denial of a motion for rehearing, **AN INTERESTED**  
12 **PARTY** may file an appeal to the ~~board of review,~~ **MICHIGAN**  
13 **COMPENSATION APPELLATE COMMISSION**, and unless such an appeal is  
14 filed, the decision or denial ~~shall be~~ **BY THE ADMINISTRATIVE LAW**  
15 **JUDGE IS** final.

16 ~~—— (3) A writing prepared, owned, used, in the possession of,~~  
17 ~~or retained by a referee in the performance of an official~~  
18 ~~function shall be made available to the public in compliance with~~  
19 ~~Act No. 442 of the Public Acts of 1976, being sections 15.231 to~~  
20 ~~15.246 of the Michigan Compiled Laws.~~

21 Sec. 34. (1) **THE MICHIGAN COMPENSATION APPELLATE COMMISSION**  
22 **CREATED IN EXECUTIVE REORGANIZATION ORDER NO. 2011-6, MCL**  
23 **445.2032, HAS FULL AUTHORITY TO HANDLE, PROCESS, AND DECIDE**  
24 **APPEALS FILED UNDER SECTION 33(2).**

25 (2) An appeal to the ~~board of review~~ **MICHIGAN COMPENSATION**  
26 **APPELLATE COMMISSION** from the findings of fact and decision of  
27 the ~~referee~~ **ADMINISTRATIVE LAW JUDGE** or from a denial by the

~~referee~~ ADMINISTRATIVE LAW JUDGE of a motion for a rehearing or reopening ~~shall~~ be a matter of right by an interested party.

The ~~board of review~~ MICHIGAN COMPENSATION APPELLATE COMMISSION, on the basis of evidence previously submitted and additional evidence as it requires, shall affirm, modify, set aside, or reverse the findings of fact and decision of the ~~referee~~

ADMINISTRATIVE LAW JUDGE or a denial by the ~~referee~~

ADMINISTRATIVE LAW JUDGE of a motion for rehearing or reopening.

(3) THE AGENCY IS AN INTERESTED PARTY IN A MATTER BEFORE AN ADMINISTRATIVE LAW JUDGE, THE MICHIGAN COMPENSATION APPELLATE COMMISSION, OR A COURT, BUT NOTICE OF HEARING IS NOT REQUIRED TO BE PROVIDED TO THE AGENCY FOR A HEARING BEFORE AN ADMINISTRATIVE LAW JUDGE OR THE MICHIGAN COMPENSATION APPELLATE COMMISSION.

(4) The ~~board~~ MICHIGAN COMPENSATION APPELLATE COMMISSION shall conduct an oral hearing in a matter before the ~~board~~ IT only after an application for the hearing is made by an interested party and the application is approved by 2 or more members of the ~~board~~ MICHIGAN COMPENSATION APPELLATE COMMISSION assigned to review the appeal. If an application for an oral hearing is not approved, the ~~board shall not~~ MICHIGAN COMPENSATION APPELLATE COMMISSION MAY consider a written argument ~~unless~~ IF AN APPLICATION FOR WRITTEN ARGUMENT IS APPROVED BY 2 OR MORE MEMBERS OF THE MICHIGAN COMPENSATION APPELLATE COMMISSION ASSIGNED TO REVIEW THE APPEAL AND all parties are represented or all parties agree that written argument should be considered. If neither an oral hearing is held nor written argument considered, the ~~board~~ MICHIGAN COMPENSATION APPELLATE COMMISSION shall decide

1 the case on the ~~referee~~ record **BEFORE THE ADMINISTRATIVE LAW**  
2 **JUDGE**. ~~The board shall notify each interested party of its~~  
3 ~~decision or order within 60 days after the date of the last board~~  
4 ~~of review hearing on a contested matter.~~

5 (5) The ~~board~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**, in  
6 its discretion, may omit the ~~giving of reasons~~ **THE BASIS FOR ITS**  
7 **DECISION** in cases ~~where~~ **IN WHICH IT AFFIRMS** the decision of a  
8 ~~referee is affirmed~~ **AN ADMINISTRATIVE LAW JUDGE** without  
9 alteration or modification.

10 (6) If the appellant fails to appear, the ~~board of review~~  
11 **MICHIGAN COMPENSATION APPELLATE COMMISSION** may dismiss the  
12 proceedings or take other action ~~as it may deem~~ **IT CONSIDERS**  
13 advisable.

14 (7) The ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE**  
15 **COMMISSION** may, either upon application by an interested party  
16 for rehearing or on its own motion, proceed to rehear, affirm,  
17 modify, set aside, or reverse a prior decision on the basis of  
18 the evidence previously submitted in that case, or on the basis  
19 of additional evidence if the application or motion is made  
20 within 30 days after the date of mailing of the prior decision.  
21 The ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**  
22 may, for good cause, reopen and review a prior decision of the  
23 ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION** and  
24 issue a new decision after the 30-day appeal period has expired,  
25 but a review shall not be made unless the request is filed with  
26 the ~~board~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**, or review  
27 is initiated by the ~~board~~ **MICHIGAN COMPENSATION APPELLATE**



1 COMMISSION with notice to the interested parties, within 1 year  
2 after the date of mailing of the prior decision. Unless an  
3 interested party, within 30 days after mailing of a copy of a  
4 decision of the ~~board of review~~ MICHIGAN COMPENSATION APPELLATE  
5 COMMISSION or of a denial of a motion for a rehearing, files an  
6 appeal from the decision or denial, or seeks judicial review as  
7 provided in section 38, the decision shall be final.

8 (8) THE MICHIGAN COMPENSATION APPELLATE COMMISSION MAY ON  
9 ITS OWN MOTION AFFIRM, MODIFY, SET ASIDE, OR REVERSE A DECISION  
10 OR ORDER OF AN ADMINISTRATIVE LAW JUDGE ON THE BASIS OF THE  
11 EVIDENCE PREVIOUSLY SUBMITTED IN THE CASE; DIRECT THE TAKING OF  
12 ADDITIONAL EVIDENCE; OR PERMIT A PARTY TO THE DECISION OR ORDER  
13 TO INITIATE FURTHER APPEALS BEFORE IT. THE MICHIGAN COMPENSATION  
14 APPELLATE COMMISSION SHALL PERMIT A FURTHER APPEAL BY A PARTY  
15 INTERESTED IN A DECISION OR ORDER OF AN ADMINISTRATIVE LAW JUDGE  
16 OR BY THE MICHIGAN COMPENSATION APPELLATE COMMISSION IF ITS  
17 INITIAL RULING HAS BEEN OVERRULED OR MODIFIED. THE MICHIGAN  
18 COMPENSATION APPELLATE COMMISSION MAY REMOVE TO ITSELF OR DIRECT  
19 THE MICHIGAN ADMINISTRATIVE HEARING SYSTEM TO TRANSFER TO ANOTHER  
20 ADMINISTRATIVE LAW JUDGE THE PROCEEDINGS ON APPEAL, REHEARING, OR  
21 REVIEW PENDING BEFORE AN ADMINISTRATIVE LAW JUDGE. THE MICHIGAN  
22 COMPENSATION APPELLATE COMMISSION SHALL PROMPTLY NOTIFY THE  
23 INTERESTED PARTIES OF ITS FINDINGS AND DECISIONS.

24 (9) A MEMBER OF THE MICHIGAN COMPENSATION APPELLATE  
25 COMMISSION MAY ADMINISTER OATHS AND TAKE DEPOSITIONS.

26 (10) THE TESTIMONY AT A HEARING BEFORE AN ADMINISTRATIVE LAW  
27 JUDGE OR THE MICHIGAN COMPENSATION APPELLATE COMMISSION SHALL BE

1 RECORDED, BUT NEED NOT BE TRANSCRIBED UNLESS REQUESTED BY THE  
2 MAJORITY OF THE PANEL OF THE MICHIGAN COMPENSATION APPELLATE  
3 COMMISSION ASSIGNED TO HEAR THE CLAIM. IF AN INTERESTED PARTY  
4 WANTS A COPY OF A TRANSCRIPT OF A HEARING HELD BEFORE AN  
5 ADMINISTRATIVE LAW JUDGE OR THE MICHIGAN COMPENSATION APPELLATE  
6 COMMISSION, AN INTERESTED PARTY MAY REQUEST AND SHALL BE PROVIDED  
7 A TRANSCRIPT. AN INTERESTED PARTY WHO REQUESTS A TRANSCRIPT IS  
8 RESPONSIBLE FOR THE COST OF THE TRANSCRIPT.

9 (11) THE MANNER IN WHICH AN APPEAL TO AN ADMINISTRATIVE LAW  
10 JUDGE AND THE MICHIGAN COMPENSATION APPELLATE COMMISSION SHALL BE  
11 PRESENTED, THE APPEAL REPORTS REQUIRED FROM AN INTERESTED PARTY,  
12 AND THE PROCEDURE GOVERNING THE APPEAL SHALL BE IN ACCORDANCE  
13 WITH RULES PROMULGATED BY THE MICHIGAN ADMINISTRATIVE HEARING  
14 SYSTEM.

15 Sec. 37. (1) Witnesses subpoenaed pursuant to this act shall  
16 be allowed fees at the rate fixed by law. The fees and expenses  
17 of proceedings involving disputed determinations, decisions, or  
18 notices of assessments before ~~a referee~~ **AN ADMINISTRATIVE LAW**  
19 **JUDGE** or the ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE**  
20 **COMMISSION** shall be considered a part of the expense of  
21 administering this act.

22 (2) If an interested party to a hearing formally requests  
23 ~~the commission, a referee,~~ **AN ADMINISTRATIVE LAW JUDGE** or the  
24 ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION** to  
25 obtain a subpoena for witnesses whose evidence it considers  
26 necessary, ~~the commission, referee or board of review~~ **AN**  
27 **ADMINISTRATIVE LAW JUDGE OR THE MICHIGAN COMPENSATION APPELLATE**

1 **COMMISSION** shall promptly issue the subpoena as provided in  
2 ~~sections 9 and 35 of this act~~, unless the request is determined  
3 to be unreasonable.

4       Sec. 38. (1) The circuit court in the county in which the  
5 claimant resides or the circuit court in the county in which the  
6 claimant's place of employment is or was located, or, if a  
7 claimant is not a party to the case, the circuit court in the  
8 county in which the employer's principal place of business in  
9 this state is located, may review questions of fact and law on  
10 the record made before the ~~referee~~ **ADMINISTRATIVE LAW JUDGE** and  
11 the ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**  
12 involved in a final order or decision of the ~~board~~, **MICHIGAN**  
13 **COMPENSATION APPELLATE COMMISSION**, and may make further orders in  
14 respect to that order or decision as justice may require, but the  
15 court may reverse an order or decision only if it finds that the  
16 order or decision is contrary to law or is not supported by  
17 competent, material, and substantial evidence on the whole  
18 record. Application for review shall be made within 30 days after  
19 the mailing of a copy of the order or decision by any method  
20 permissible under the rules and practices of the circuit court of  
21 this state.

22       (2) An order or decision of a ~~hearing referee~~ **AN**  
23 **ADMINISTRATIVE LAW JUDGE** that involves a claim for unemployment  
24 benefits may be appealed directly to the circuit court if the  
25 claimant and the employer or their authorized agents or attorneys  
26 agree to do so by written stipulation filed with the ~~referee~~. ~~A~~  
27 ~~hearing referee's~~ **ADMINISTRATIVE LAW JUDGE. AN ADMINISTRATIVE LAW**

1 JUDGE'S order or decision involving an employer's contributions  
2 or payments in lieu of contributions under this act may be  
3 appealed directly to the circuit court ~~if the employer and~~  
4 ~~commission execute and file with the hearing referee~~ **BASED ON** a  
5 written stipulation agreeing to the direct appeal to the circuit  
6 court.

7 (3) The ~~commission~~ **UNEMPLOYMENT AGENCY** is a party to any  
8 judicial action involving an order or decision of the ~~board of~~  
9 ~~review or a referee~~. **MICHIGAN COMPENSATION APPELLATE COMMISSION OR**  
10 **AN ADMINISTRATIVE LAW JUDGE.**

11 (4) The decision of the circuit court may be appealed in the  
12 manner provided by the laws of this state for appeals from the  
13 circuit court.

14 Sec. 42. (1) "Employment" means service, including service  
15 in interstate commerce, performed for remuneration or under any  
16 contract of hire, written or oral, express or implied.

17 (2) "Employment" includes an individual's entire service,  
18 performed within or both within and without this state if any of  
19 the following apply:

20 (a) The service is localized in this state. Service shall be  
21 deemed to be localized within a state if the service is performed  
22 entirely within the state; or the service is performed both  
23 within and without the state, but the service performed without  
24 the state is incidental to the individual's service within the  
25 state, such as service which is temporary or transitory in nature  
26 or consists of isolated transactions.

27 (b) The service is not localized in a state but some of the

1 service performed in this state and the base of operations, or,  
2 if there is not a base of operations, then the place from which  
3 the service is directed or controlled, is in this state; or the  
4 base of operations or place from which the service is directed or  
5 controlled is not in a state in which some part of the service is  
6 performed, but the individual's residence is in this state.

7 (c) After December 31, 1964, the service is not localized in  
8 any state but is performed by an employee on or in connection  
9 with an American aircraft, if either the contract of service is  
10 entered into within this state or if the contract of service is  
11 not entered into within this state or within any other state and  
12 during the performance of the contract of service and while the  
13 employee is employed on the aircraft, it touches at an airfield  
14 in this state, and the employee is employed on and in connection  
15 with the aircraft when outside the United States. The ~~commission~~  
16 **UNEMPLOYMENT AGENCY** may enter into reciprocal agreements with  
17 other states with respect to aircraft which touch airfields in  
18 more than 1 state.

19 (3) Service performed within this state but not covered  
20 under subsection (2) and not excluded under section 43 shall be  
21 deemed to be employment subject to this act if contributions are  
22 not required and paid with respect to those services under an  
23 unemployment compensation law of any other state or of the  
24 federal government.

25 (4) Services, not covered under subsection (2), performed  
26 entirely without this state, for which contributions are not  
27 required and paid under an unemployment compensation law of any

1 other state or of the federal government, shall be deemed to be  
2 employment subject to this act if the ~~commission~~-**UNEMPLOYMENT**  
3 **AGENCY** approves the election of the employer for whom the  
4 services are performed that the entire service of the individual  
5 shall be deemed to be employment subject to this act. Such an  
6 election may be canceled by the employer by filing a written  
7 notice with the ~~commission~~-**UNEMPLOYMENT AGENCY** before January 30  
8 of any year stating the employer's desire to cancel the election  
9 or at any time by submitting to the ~~commission~~-**UNEMPLOYMENT**  
10 **AGENCY** satisfactory proof that the services designated in the  
11 election are covered by an unemployment compensation law of  
12 another state or of the federal government, or if the services  
13 are covered by an arrangement pursuant to section 11 between the  
14 ~~commission~~-**UNEMPLOYMENT AGENCY** and the agency charged with the  
15 administration of any other state or federal unemployment  
16 compensation law, pursuant to which all services performed by an  
17 individual for an employing unit are deemed to be performed  
18 entirely within the state, shall be deemed to be employment if  
19 the ~~commission~~-**UNEMPLOYMENT AGENCY** has approved an election of  
20 the employing unit for which the services are performed, pursuant  
21 to which the entire service of the individual during the period  
22 covered by the election is deemed to be employment.

23 (5) ~~Services~~-**BEFORE JANUARY 1, 2013, SERVICES** performed by  
24 an individual for remuneration ~~shall not be deemed to be~~-**ARE NOT**  
25 employment subject to this act, unless the individual is under  
26 the employer's control or direction as to the performance of the  
27 services both under a contract for hire and in fact. Service

1 performed by an individual for remuneration under an exclusive  
2 contract ~~which~~ **THAT** provides for the individual's control and  
3 direction by a person, firm, or corporation possessing a public  
4 service permit or by a certificated motor carrier transporting  
5 goods or property for hire ~~shall be deemed~~ **ARE** employment subject  
6 to this act. Service **IS EMPLOYMENT UNDER THIS ACT IF IT IS**  
7 performed by an individual who by lease, contract, or arrangement  
8 places at the disposal of a person, firm, or corporation a piece  
9 of motor vehicle equipment and under a contract of hire ~~, which~~  
10 **THAT** provides for the individual's control and direction, is  
11 engaged by the person, firm, or corporation to operate the motor  
12 vehicle equipment. ~~shall be deemed to be employment subject to~~  
13 ~~this act.~~ **ON AND AFTER JANUARY 1, 2013, SERVICES ARE EMPLOYMENT IF**  
14 **THE SERVICES ARE PERFORMED BY AN INDIVIDUAL WHO THE AGENCY**  
15 **DETERMINES TO BE IN AN EMPLOYER-EMPLOYEE RELATIONSHIP USING THE**  
16 **20-FACTOR TEST ANNOUNCED BY THE INTERNAL REVENUE SERVICE OF THE**  
17 **UNITED STATES DEPARTMENT OF TREASURY IN REVENUE RULING 87-41, 1**  
18 **C.B. 296. AN INDIVIDUAL FROM WHOM AN EMPLOYER IS REQUIRED TO**  
19 **WITHHOLD FEDERAL INCOME TAX IS PRIMA FACIE CONSIDERED TO PERFORM**  
20 **SERVICES IN EMPLOYMENT UNDER THIS ACT.**

21 (6) Notwithstanding section 43, services performed for an  
22 employing unit, for which the employing unit is liable for  
23 federal tax against which credit may be taken for contributions  
24 required to be paid into a state unemployment compensation fund,  
25 shall be deemed to constitute employment for the purposes of this  
26 act, but only to the extent that the services constitute  
27 employment with respect to which federal tax is payable.

1 Notwithstanding any other provision of this act or any amendatory  
2 act, services performed for an employing unit which are required  
3 to be covered under this act, as a condition for its  
4 certification by the United States secretary of labor, shall  
5 constitute employment for the purposes of this act. The  
6 ~~commission~~**UNEMPLOYMENT AGENCY** may waive the provisions of this  
7 subsection with respect to services performed within this state  
8 if the employing unit is an employer solely by reason of section  
9 41(7) and establishes that the services are covered by the  
10 election of the employing unit under any other state unemployment  
11 compensation law. This subsection shall not apply to the  
12 exceptions provided in section 43(q).

13 (7) Notwithstanding subsection (2) all service performed  
14 after December 31, 1964, by an officer or member of the crew of  
15 an American vessel on or in connection with the vessel is deemed  
16 to be employment subject to this act if the operating office,  
17 from which the operations of the vessel operating on navigable  
18 waters within, or within and without, the United States are  
19 ordinarily and regularly supervised, managed, directed, and  
20 controlled, is within this state.

21 (8)

22 (a) Service performed before January 1, 1978, by an  
23 individual in the classified civil service of this state and  
24 service performed by an individual for a school district, a  
25 community college district, a school or educational facility  
26 owned or operated by the state other than an institution of  
27 higher education, or a political subdivision of the state, except



1 a political subdivision which has a local unemployment  
2 compensation system as provided in section 13j, is employment  
3 subject to this act.

4 (b) Service performed after December 31, 1977, in the employ  
5 of a governmental entity as defined in section 50a is employment  
6 subject to this act.

7 (9) "Employment" includes service performed after December  
8 31, 1971, by an individual in the employ of this state or any of  
9 its instrumentalities for a state hospital or state institution  
10 of higher education, or in the employ of this state and 1 or more  
11 other states or their instrumentalities for a hospital or  
12 institution of higher education located in this state. Coverage  
13 of services performed for these hospitals and institutions of  
14 higher education after December 31, 1977, shall be determined  
15 pursuant to section 42(8)(b).

16 (10) "Employment" includes service performed after December  
17 31, 1971, by an individual in the employ of a religious,  
18 charitable, educational, or other organization which is excluded  
19 from the term "employment" as defined in the federal unemployment  
20 tax act solely by reason of section 3306(c)(8) of the  
21 unemployment tax act.

22 (11) "Employment" includes service performed after December  
23 31, 1971, by an individual for his principal as an agent driver  
24 or commission driver engaged in distributing beverages, meat,  
25 vegetable, fruit, bakery, dairy, or other food products, or  
26 laundry or dry cleaning services; or as a traveling or city  
27 salesman, other than as an agent driver or commission driver,

1 engaged upon a full-time basis in the solicitation on behalf of,  
2 and the transmission to, his principal except for sideline sales  
3 activities on behalf of some other person, of orders from  
4 wholesalers, retailers, contractors, operators of hotels,  
5 restaurants, or other similar establishments for merchandise for  
6 resale or supplies for use in their business operations. For  
7 purposes of this subsection, "employment" includes services  
8 performed after December 31, 1971, only if all of the following  
9 apply:

10 (a) The contract of service contemplates that substantially  
11 all of the services are to be performed personally by the  
12 individual.

13 (b) The individual does not have a substantial investment in  
14 facilities used in connection with the performance of the  
15 services other than in facilities for transportation.

16 (c) The services are not in the nature of a single  
17 transaction which is not part of a continuing relationship with  
18 the person for whom the services are performed.

19 (12) "Employment" includes service performed by a United  
20 States citizen outside the United States after December 31, 1971,  
21 except in Canada, and in the Virgin Islands after December 31,  
22 1971, and before January 1 of the year following the year in  
23 which the United States secretary of labor approves the  
24 unemployment compensation law of the Virgin Islands under section  
25 3304(a) of the internal revenue code, while in the employ of an  
26 American employer and is other than service which is employment  
27 pursuant to subsection (2) or a parallel provision of another

1 state's law, if the requirements of subdivision (a), (b), or (c)  
2 are met:

3 (a) The employer's principal place of business in the United  
4 States is located in this state.

5 (b) The employer does not have a place of business in the  
6 United States, but the employer is any of the following:

7 (i) An individual who is a resident of this state.

8 (ii) A corporation which is organized under the laws of this  
9 state.

10 (iii) A partnership or a trust and the number of the partners  
11 or trustees who are residents of this state is greater than the  
12 number who are residents of any one other state.

13 (c) None of the criteria of subdivisions (a) and (b) is met  
14 but the employer elected coverage of the service under this act,  
15 or the employer failed to elect coverage in any state and the  
16 individual filed a claim for benefits based on the service under  
17 the law of this state.

18 (d) An "American employer", for purposes of this subsection,  
19 means a person who is one of the following:

20 (i) An individual who is a resident of the United States.

21 (ii) A partnership if 2/3 or more of the partners are  
22 residents of the United States.

23 (iii) A trust, if all of the trustees are residents of the  
24 United States.

25 (iv) A corporation organized under the laws of the United  
26 States or of any state.

27 (e) As used in this subsection, "United States" includes the

1 states, the District of Columbia, and the Commonwealth of Puerto  
2 Rico.

3 (13) Notwithstanding any other provision of this act, the  
4 term "employment" shall include an individual's service, wherever  
5 performed within the United States, the Virgin Islands, or  
6 Canada, if the service is not covered under the unemployment  
7 compensation law of any other state, the Virgin Islands, or  
8 Canada, and the place from which the service is directed or  
9 controlled is in this state.

10 SEC. 42A. IF A BUSINESS ENTITY REQUESTS THE UNEMPLOYMENT  
11 AGENCY TO DETERMINE WHETHER 1 OR MORE INDIVIDUALS PERFORMING  
12 SERVICES FOR THE ENTITY IN THIS STATE ARE IN COVERED EMPLOYMENT,  
13 THE UNEMPLOYMENT AGENCY SHALL ISSUE A DETERMINATION OF COVERAGE  
14 OF SERVICES PERFORMED BY THOSE INDIVIDUALS AND ANY OTHER  
15 INDIVIDUALS PERFORMING SIMILAR SERVICES UNDER SIMILAR  
16 CIRCUMSTANCES. IF THE UNEMPLOYMENT AGENCY DETERMINES THAT THE  
17 SERVICES ARE IN COVERED EMPLOYMENT AND THE UNEMPLOYMENT AGENCY  
18 RECEIVED THE REQUEST ON OR AFTER THE EFFECTIVE DATE OF THE  
19 AMENDATORY ACT THAT ADDED THIS SECTION AND BEFORE JANUARY 1,  
20 2013, ONLY WAGES PAID ON OR AFTER THE DATE OF THE DETERMINATION  
21 SHALL BE USED FOR BENEFIT QUALIFYING PURPOSES AND FOR THE  
22 CALCULATION OF THE UNEMPLOYMENT CONTRIBUTION RATE AND THE  
23 UNEMPLOYMENT CONTRIBUTIONS OR REIMBURSEMENTS IN LIEU OF  
24 CONTRIBUTIONS. PENALTIES AND INTEREST ACCRUE ONLY ON  
25 CONTRIBUTIONS OR REIMBURSEMENTS IN LIEU OF CONTRIBUTIONS THAT ARE  
26 ASSESSED BASED ON WAGES PAID ON OR AFTER THE DATE OF THE  
27 DETERMINATION. ON AND AFTER JANUARY 1, 2013, SERVICES WILL BE

1 DETERMINED IN EMPLOYMENT IN ACCORDANCE WITH THE PROVISION OF  
2 SECTION 42 THAT APPLIES ON AND AFTER THAT DATE.

3       Sec. 44. (1) "Remuneration" means all compensation paid for  
4 personal services, including commissions and bonuses, and except  
5 for agricultural and domestic services, the cash value of all  
6 compensation payable in a medium other than cash. Any  
7 remuneration payable to an individual that has not been actually  
8 received by that individual within 21 days after the end of the  
9 pay period in which the remuneration was earned, shall, for the  
10 purposes of subsections (2) to (5) and section 46, be considered  
11 to have been paid on the twenty-first day after the end of that  
12 pay period. For benefit years beginning **ON OR** after ~~the~~  
13 ~~conversion date prescribed in section 75~~ **OCTOBER 1, 2000**, if back  
14 pay is awarded to an individual and is allocated by an employer  
15 or legal authority to a period of weeks within 1 or more calendar  
16 quarters, the back pay shall be considered paid in that calendar  
17 quarter or those calendar quarters for purposes of section 46.  
18 The reasonable cash value of compensation payable in a medium  
19 other than cash shall be estimated and determined in accordance  
20 with rules promulgated by the unemployment agency. Beginning  
21 January 1, 1986, remuneration shall include tips actually  
22 reported to an employer under section 6053(a) of the internal  
23 revenue code by an employee who receives tip income. Remuneration  
24 does not include either of the following:

25       (a) Money paid an individual by a unit of government for  
26 services rendered as a member of the national guard of this  
27 state, or for similar services to another state or the United

1 States.

2 (b) Money paid by an employer to a worker under a  
3 supplemental unemployment benefit plan ~~under section 501(c) of~~  
4 ~~the internal revenue code of 1986~~ **CONSISTENT WITH THE CRITERIA**  
5 **FOR A SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN AS DESCRIBED IN**  
6 **INTERNAL REVENUE SERVICE PUBLICATION 15-A, EMPLOYER'S**  
7 **SUPPLEMENTAL TAX GUIDE, OR A SUCCESSOR PUBLICATION,** regardless of  
8 whether the benefits are paid from a trust or by the employer.

9 (2) "Wages", subject to subsections (3) to (5), means  
10 remuneration paid by employers for employment and, beginning  
11 January 1, 1986, includes tips actually reported to an employer  
12 under section 6053(a) of the internal revenue code by an employee  
13 who receives tip income. If any provision of this subsection  
14 prevents this state from qualifying for any federal interest  
15 relief provisions provided under section 1202 of title XII of the  
16 social security act, 42 ~~U.S.C.—USC~~ 1322, or prevents employers in  
17 this state from qualifying for the limitation on the reduction of  
18 federal unemployment tax act credits as provided under section  
19 3302(f) of the federal unemployment tax act, 26 ~~U.S.C.—USC~~ 3302,  
20 that provision is invalid to the extent necessary to maintain  
21 qualification for the interest relief provisions and federal  
22 unemployment tax credits.

23 (3) For the purpose of determining the amount of  
24 contributions due from an employer under this act, wages shall be  
25 limited by the taxable wage limit applicable under subsection  
26 (4). For this purpose, wages shall exclude all remuneration paid  
27 within a calendar year to an individual by an employing unit

1 after the individual was paid within that year by that employing  
2 unit remuneration equal to the taxable wage limit on which  
3 unemployment taxes were paid or were payable in this state and in  
4 any other states. If an employing unit, hereinafter referred to  
5 as successor, during any calendar year becomes a transferee in a  
6 transfer of business as defined in section 22 of another,  
7 hereinafter referred to as a predecessor, and immediately after  
8 the transfer employs in his or her trade or business an  
9 individual who immediately before the transfer was employed in  
10 the trade or business of the predecessor, then for the purpose of  
11 determining whether the successor has paid remuneration with  
12 respect to employment equal to the taxable wage limit to that  
13 individual during the calendar year, any remuneration with  
14 respect to employment paid to that individual by the predecessor  
15 during the calendar year and before the transfer shall be  
16 considered as having been paid by the successor.

17 (4) The taxable wage limit for each calendar year ~~shall be~~  
18 **IS** \$8,000.00 in the 1983 calendar year, \$8,500.00 in the 1984  
19 calendar year, \$9,000.00 in the 1985 calendar year, \$9,500.00 in  
20 ~~the 1986 calendar year, and \$9,500.00 for calendar years after~~  
21 **CALENDAR YEARS** 1986 through 2002, and \$9,000.00 for calendar  
22 years after 2002 **AND BEFORE 2012**, or the maximum amount of  
23 remuneration paid within a calendar year by an employer subject  
24 to the federal unemployment tax act, 26 ~~U.S.C.~~ **USC** 3301 to 3311,  
25 to an individual with respect to employment as defined in that  
26 act that is subject to tax under that act during that year for  
27 each calendar year, whichever is greater. **FOR CALENDAR YEARS**

1 BEGINNING 2012, THE TAXABLE WAGE LIMIT IS \$9,500.00, BUT IF AT  
2 THE BEGINNING OF A CALENDAR QUARTER THE BALANCE IN THE  
3 UNEMPLOYMENT COMPENSATION FUND EQUALS OR EXCEEDS  
4 \$2,500,000,000.00 AND THE AGENCY PROJECTS THAT THE BALANCE WILL  
5 REMAIN AT OR ABOVE \$2,500,000,000.00 FOR THE REMAINDER OF THE  
6 CALENDAR QUARTER AND FOR THE ENTIRE SUCCEEDING CALENDAR QUARTER,  
7 THE TAXABLE WAGE LIMIT FOR THAT CALENDAR QUARTER AND THE  
8 SUCCEEDING CALENDAR QUARTER IS \$9,000.00 FOR AN EMPLOYER THAT IS  
9 NOT DELINQUENT IN THE PAYMENT OF UNEMPLOYMENT CONTRIBUTIONS,  
10 PENALTIES, OR INTEREST.

11 (5) For the purposes of this act, the term "wages" shall not  
12 include any of the following:

13 (a) The amount of a payment, including an amount paid by an  
14 employer for insurance or annuities or into a fund, to provide  
15 for such a payment, made to, or on behalf of, an employee or any  
16 of the employee's dependents under a plan or system established  
17 by an employer that makes provision for the employer's employees  
18 generally, or for the employer's employees generally and their  
19 dependents, or for a class or classes of the employer's  
20 employees, or for a class or classes of the employer's employees  
21 and their dependents, on account of retirement, sickness or  
22 accident disability, medical or hospitalization expenses in  
23 connection with sickness or accident disability, or death.

24 (b) A payment made to an employee, including an amount paid  
25 by an employer for insurance or annuities, or into a fund, to  
26 provide for such a payment, on account of retirement.

27 (c) A payment on account of sickness or accident disability,



1 or medical or hospitalization expenses in connection with  
2 sickness or accident disability, made by an employer to, or on  
3 behalf of, an employee after the expiration of 6 calendar months  
4 following the last calendar month in which the employee worked  
5 for the employer.

6 (d) A payment made to, or on behalf of, an employee or the  
7 employee's beneficiary from or to a trust described in section  
8 401(a) of the internal revenue code of 1986 that is exempt from  
9 tax under section 501(a) of the internal revenue code of 1986 at  
10 the time of the payment, unless the payment is made to an  
11 employee of the trust as remuneration for services rendered as an  
12 employee and not as a beneficiary of the trust, or under or to an  
13 annuity plan which, at the time of the payment, is a plan  
14 described in section 403(a) of the internal revenue code of 1986,  
15 or under or to a bond purchase plan that at the time of the  
16 payment, is a qualified bond purchase plan described in former  
17 section 405(a) of the internal revenue code.

18 (e) The payment by an employer, without deduction from the  
19 remuneration of the employee, of the tax imposed upon an employee  
20 under section 3101 of the federal insurance contributions act, 26  
21 ~~U.S.C.~~ **USC** 3101.

22 (f) Remuneration paid in any medium other than cash to an  
23 employee for service not in the course of the employer's trade or  
24 business.

25 (g) A payment, other than vacation or sick pay, made to an  
26 employee after the month in which the employee attains the age of  
27 65, if the employee did not work for the employer in the period

1 for which the payment is made.

2 (h) Remuneration paid to or on behalf of an employee as  
3 moving expenses if, and to the extent that, at the time of  
4 payment of the remuneration it is reasonable to believe that a  
5 corresponding deduction is allowable under section 217 of the  
6 internal revenue code of 1986.

7 (6) The amendments made to this section by amendatory act  
8 1977 PA 155 ~~shall~~ apply to all remuneration paid after December  
9 31, 1977.

10 (7) The amendments made in subsection (1) by the amendatory  
11 act that added this subsection shall first apply to remuneration  
12 paid after December 31, 1977.

13 Sec. 46. (a) Subject to subsections (d) through (g), for  
14 benefit years beginning before the conversion date prescribed in  
15 section 75, "benefit year" means the period of 52 consecutive  
16 calendar weeks beginning the first calendar week in which an  
17 individual files a claim in accordance with section 32 and meets  
18 all of the following conditions:

19 (1) The individual has earned 20 credit weeks in the 52  
20 consecutive calendar weeks before the week he or she files the  
21 claim for benefits.

22 (2) The individual is unemployed and meets all requirements  
23 of section 28 for the week for which he or she files a claim for  
24 benefits.

25 (3) Except for a disqualification under section 29 (8)  
26 involving a labor dispute during the individual's most recent  
27 period of employment with the most recent employer with whom the

1 individual earned a credit week, the individual is not  
2 disqualified or subject to disqualification for the week for  
3 which he or she files a claim.

4 (4) The individual does not have a benefit year already in  
5 effect at the time of the claim.

6 (b) For benefit years beginning **ON OR** after ~~the conversion~~  
7 ~~date prescribed in section 75~~ **OCTOBER 1, 2000**, "benefit year"  
8 means the period of 52 consecutive calendar weeks beginning the  
9 first calendar week in which an individual files a claim in  
10 accordance with section 32. However, a benefit year shall not be  
11 established unless the individual meets either of the following  
12 conditions:

13 (1) ~~the~~ **THE** total wages paid to the individual in the base  
14 period of the claim equals not less than 1.5 times the wages paid  
15 to the individual in the calendar quarter of the base period in  
16 which the individual was paid the highest wages. ~~or~~

17 (2) ~~the~~ **THE** individual was paid wages in 2 or more calendar  
18 quarters of the base period totaling at least 20 times the state  
19 average weekly wage as determined by the ~~commission~~ **UNEMPLOYMENT**  
20 **AGENCY**.

21 (c) For benefit years beginning after ~~the conversion date~~  
22 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, the state average  
23 weekly wage for a calendar year shall be computed on the basis of  
24 the 12 months ending the June 30 preceding that calendar year. A  
25 benefit year shall not be established if the individual was not  
26 paid wages of at least the state minimum hourly wage multiplied  
27 by 388.06 rounded down to the nearest dollar in at least 1

1 calendar quarter of the base period. A benefit year shall not be  
2 established based on base period wages previously used to  
3 establish a benefit year that resulted in the payment of  
4 benefits. However, if a calendar quarter of the base period  
5 contains wages that were previously used to establish a benefit  
6 year that resulted in the payment of benefits, a claimant may  
7 establish a benefit year using the wages in the remaining  
8 calendar quarters from among the first 4 of the last 5 completed  
9 calendar quarters, or if a benefit year cannot be established  
10 using those quarters, then by using wages from among the last 4  
11 completed calendar quarters. A benefit year shall not be  
12 established unless, after the beginning of the immediately  
13 preceding benefit year during which the individual received  
14 benefits, the individual worked and received remuneration in an  
15 amount equal to at least 5 times the individual's most recent  
16 state weekly benefit rate in effect during the individual's  
17 immediately preceding benefit year. If a quarterly wage report  
18 has not been submitted in a timely manner by the employer as  
19 provided in section 13 for any of the quarters of the base  
20 period, or if wage information is not available for use by the  
21 ~~commission~~**UNEMPLOYMENT AGENCY** for the most recent completed  
22 calendar quarter, the ~~commission may~~**UNEMPLOYMENT AGENCY SHALL**  
23 obtain and use the claimant's statement of wages paid during the  
24 calendar quarters for which the wage reports are missing to  
25 establish a benefit year. **HOWEVER, THE CLAIMANT'S STATEMENT OF**  
26 **WAGES SHALL ONLY BE USED TO ESTABLISH A BENEFIT YEAR IF THE**  
27 **CLAIMANT ALSO PROVIDES TO THE UNEMPLOYMENT AGENCY DOCUMENTARY OR**

1 **OTHER EVIDENCE OF THOSE WAGES THAT IS SATISFACTORY TO THE**  
2 **UNEMPLOYMENT AGENCY.** A determination based on the claimant's  
3 statement of wages paid during any of these calendar quarters  
4 shall be redetermined if the quarterly wage report from the  
5 employer is later received and would result in a change in the  
6 claimant's weekly benefit amount or duration, or both, or if the  
7 quarterly wage report from the employer later becomes available  
8 for use by the ~~commission~~**UNEMPLOYMENT AGENCY** and would result in  
9 a change in the claimant's benefit amount or duration, or both.  
10 If the redetermination results from the employer's failure to  
11 submit the quarterly wage report in a timely manner, the  
12 redetermination shall be effective as to benefits payable for  
13 weeks beginning after the receipt of information not previously  
14 submitted by the employer.

15 (d) If an individual files a claim for a 7-day period under  
16 section 27(c), his or her benefit year begins the calendar week  
17 containing the first day of that 7-day period.

18 (e) If all or part of a claimant's right to benefits during  
19 his or her benefit year is canceled under section 62(b), the  
20 benefit year is terminated on the effective date of the  
21 cancellation.

22 (f) An individual may request a redetermination of his or  
23 her benefit rights and cancellation of a previously established  
24 benefit year if he or she has not completed a compensable period.  
25 Under circumstances described in this subsection, the benefit  
26 year begins the first day of the first week in which the request  
27 for redetermination of benefit rights is duly filed.

1 (g) Notwithstanding subsection (a), for services performed  
2 on or after January 2, 1983, and with respect to benefit years  
3 established before ~~the conversion date prescribed in section 75~~  
4 **OCTOBER 1, 2000**, an individual ~~shall not be~~ **IS NOT** entitled to  
5 establish a benefit year based in whole or in part on credit  
6 weeks for service in the employ of an employing unit, not  
7 otherwise excluded under section 43(g), in which more than 50% of  
8 the proprietary interest is owned by the individual or his or her  
9 son, daughter, or spouse, or any combination of these  
10 individuals, or in which more than 50% of the proprietary  
11 interest is owned by the mother or father of a child under the  
12 age of 18, or mother and father combined, unless both the  
13 individual and the employer notify the commission, in response to  
14 the commission's request for information, of the individual's  
15 relationship to the owners of the proprietary interest in the  
16 employing unit. Upon timely notification to the commission, a  
17 benefit year may be established for the individual, if the  
18 individual meets all of the following conditions: (1) has earned  
19 20 credit weeks in the 52 consecutive calendar weeks preceding  
20 the week with respect to which the individual filed an  
21 application for benefits; (2) with respect to the week for which  
22 the individual is filing an application for benefits is  
23 unemployed, and meets all of the other requirements of section  
24 28; (3) with respect to the week for which the individual is  
25 filing an application for benefits the individual is not  
26 disqualified nor subject to disqualification, except in case of a  
27 labor dispute under section 29(8), with respect to the most

1 recent period of employment with the most recent employer with  
2 whom the individual earned a credit week. If an individual files  
3 an application for a 7-day period as provided in section 27(c),  
4 the benefit year with respect to the individual shall begin with  
5 the calendar week which contains the first day of that 7-day  
6 period.

7 (h) For benefit years established on or after July 1, 1983,  
8 not more than 10 credit weeks based on services shall be used to  
9 pay benefits. For the purpose of calculating the individual's  
10 average weekly wage, all base period wages and credit weeks shall  
11 be used. With respect to benefit years beginning **ON OR** after ~~the~~  
12 ~~conversion date prescribed in section 75~~ **OCTOBER 1, 2000**, and  
13 notwithstanding subsection ~~(a)~~ **(B)**, an individual ~~shall not be~~ **IS**  
14 **NOT** entitled to establish a benefit year based in whole or in  
15 part on wages earned in service, not otherwise excluded under  
16 section 43(g), in the employ of an employing unit in which more  
17 than 50% of the proprietary interest is owned by the individual  
18 or his or her son, daughter, spouse, or any combination of these  
19 individuals, or in which more than 50% of the proprietary  
20 interest is owned by the mother or father of a child under the  
21 age of 18, or mother and father combined, unless both the  
22 individual and the employer notify the commission, in response to  
23 the commission's request for information, of the individual's  
24 relationship to the owners of the proprietary interest in the  
25 employing unit. Upon timely notification to the commission, a  
26 benefit year may be established for the individual if the  
27 individual meets the requirements of subsection ~~(a)~~ **(B)**. If wages

1 in an individual's base period were earned in service in the  
2 employ of such an employing unit, the individual's weekly benefit  
3 rate shall be calculated in accordance with section 27(b)(1) but  
4 the portion of the benefit rate attributable to this service  
5 shall be payable for not more than 7 weeks. The weekly benefit  
6 payment shall be reduced thereafter by the percentage of charge  
7 attributable to service with this employer, in accordance with  
8 section 20.

9       Sec. 48. (1) An individual shall be considered unemployed  
10 for any week during which he or she performs no services and for  
11 which remuneration is not payable to the individual, or for any  
12 week of less than full-time work if the remuneration payable to  
13 the individual is less than **1-1/2 TIMES** his or her weekly benefit  
14 rate. However, any loss of remuneration incurred by an individual  
15 during any week resulting from any cause other than the failure  
16 of the individual's employing unit to furnish full-time, regular  
17 employment shall be included as remuneration earned for purposes  
18 of this section and section 27(c). The total amount of  
19 remuneration lost shall be determined pursuant to regulations  
20 prescribed by the ~~commission~~**UNEMPLOYMENT AGENCY**. For the  
21 purposes of this act, an individual's weekly benefit rate means  
22 the weekly benefit rate determined pursuant to section 27(b).

23       (2) All amounts paid to a claimant by an employing unit or  
24 former employing unit for a vacation or a holiday, and amounts  
25 paid in the form of retroactive pay, pay in lieu of notice,  
26 severance payments, salary continuation, or other remuneration  
27 intended by the employing unit as continuing wages or other



1 monetary consideration as the result of the separation, excluding  
2 SUB payments as described in section 44, shall be considered  
3 remuneration in determining whether an individual is unemployed  
4 under this section and also in determining his or her benefit  
5 payments under section 27(c), for the period designated by the  
6 contract or agreement providing for the payment, or if there is  
7 no contractual specification of the period to which payments  
8 shall be allocated, then for the period designated by the  
9 employing unit or former employing unit. However, payments for a  
10 vacation or holiday, or the right to which has irrevocably  
11 vested, after 14 days following a vacation or holiday shall not  
12 be considered wages or remuneration within the meaning of this  
13 section.

14 (3) An individual shall not be considered to be unemployed  
15 during any leave of absence from work granted by an employer  
16 either at the request of the individual or pursuant to an  
17 agreement with the individual's duly authorized bargaining agent,  
18 or in accordance with law. An individual shall neither be  
19 considered not unemployed nor on a leave of absence solely  
20 because the individual elects to be laid off, pursuant to an  
21 option provided under a collective bargaining agreement or  
22 written employer plan that permits an election, if there is a  
23 temporary layoff because of lack of work and the employer has  
24 consented to the election.

25 **SEC. 48A. A REFERENCE IN THIS ACT TO TRANSMISSION OR RECEIPT**  
26 **BY MAIL SHALL INCLUDE ANY FORM OF ELECTRONIC TRANSMISSION OR**  
27 **RECEIPT APPROVED BY THE AGENCY.**

1       Sec. 50. ~~(a)~~ "Week" means calendar week, ending at midnight  
2 Saturday, but all work performed and wages earned during a  
3 working shift which starts before midnight Saturday shall be  
4 included in the week in which that shift begins.

5       ~~—— (b) Subject to subdivisions (1) and (2), for benefit years~~  
6 ~~established before January 1, 1996, "credit week" means a~~  
7 ~~calendar week of an individual's base period during which the~~  
8 ~~individual earned wages equal to or greater than 20 times the~~  
9 ~~state minimum hourly wage in effect on the first day of the~~  
10 ~~calendar week in which the individual filed an application for~~  
11 ~~benefits. However, for benefit years established on or after~~  
12 ~~January 1, 1996 and before the conversion date prescribed in~~  
13 ~~section 75, "credit week" means a calendar week of an~~  
14 ~~individual's base period during which the individual earned wages~~  
15 ~~equal to or greater than 30 times the state minimum hourly wage~~  
16 ~~in effect on the first day of the calendar week in which the~~  
17 ~~individual filed an application for benefits. This subsection is~~  
18 ~~subject to the following:~~

19       ~~—— (1) If an individual earns wages from more than 1 employer~~  
20 ~~in a credit week, that week shall be counted as 1 multiemployer~~  
21 ~~credit week and shall be governed by the provisions of section~~  
22 ~~20(c), unless the individual has earned sufficient wages in the~~  
23 ~~base period with only 1 of the employers for whom the individual~~  
24 ~~performed services in the week of concurrent employment to~~  
25 ~~entitle the individual to a maximum weekly benefit rate, in which~~  
26 ~~case, the week shall be a credit week with respect to that~~  
27 ~~employer only and not a multiemployer credit week.~~

~~———— (2) Not more than 35 uncanceled and uncharged credit weeks shall be counted as credit weeks. In determining the 35 credit weeks to be used for computing and paying benefits, credit weeks shall be counted in the following sequence:~~

~~———— (a) First, all credit weeks which are not multiemployer credit weeks and which were earned with employers not involved in a disqualifying act or discharge under section 29(1), and all credit weeks earned with an employer involved in such a disqualifying act or discharge which were earned subsequent to the last act or discharge in which the employer was involved, shall be counted in inverse order of most recent employment with each employer.~~

~~———— (b) Second, if the credit weeks counted under subparagraph (a) total less than 35, all credit weeks which are not multiemployer credit weeks and which were earned with each employer before a disqualifying act or discharge shall be counted, in inverse order to that in which the most recent disqualifying act or discharge with each employer occurred, to the extent necessary to use all available credit weeks with respect to the employers, or a total of 35 credit weeks, whichever is less.~~

~~———— (c) Third, if the credit weeks counted under subparagraphs (a) and (b) total less than 35, all multiemployer credit weeks shall be counted, in inverse chronological order of their occurrence, to the extent necessary to count all available credit weeks, or a total of 35 credit weeks, whichever is less.~~

~~———— (3) As used in this subsection:~~

~~1 (a) "Uncharged credit week" means a credit week which has~~  
~~2 not been used as a basis for a benefit payment, a reduction of~~  
~~3 benefits under section 29(4), or a penalty disqualification under~~  
~~4 section 62(b).~~

~~5 (b) "Uncanceled credit week" means a credit week which is~~  
~~6 not canceled in accordance with section 62(b).~~

~~7 (4) There shall not be counted toward the wages required to~~  
~~8 establish a credit week under this subsection payments in the~~  
~~9 form of termination, separation, severance, or dismissal~~  
~~10 allowances, or any payments for a vacation or a holiday unless~~  
~~11 the payment has been made, or the right to receive it has~~  
~~12 irrevocably vested, within 14 days following the vacation or~~  
~~13 holiday.~~

14       Sec. 54. (a) A person, **INCLUDING A CLAIMANT FOR UNEMPLOYMENT**  
15 **BENEFITS, AN EMPLOYING ENTITY, OR AN OWNER, DIRECTOR, OR OFFICER**  
16 **OF AN EMPLOYING ENTITY**, who willfully violates or intentionally  
17 fails to comply with any of the provisions of this act, or a  
18 regulation of the unemployment agency promulgated under the  
19 authority of this act for which a penalty is not otherwise  
20 provided by this act is subject to the following sanctions,  
21 notwithstanding any other statute of this state or of the United  
22 States:

23       (i) If the unemployment agency determines that an amount has  
24 been obtained or withheld as a result of the intentional failure  
25 to comply with this act, the unemployment agency may recover the  
26 amount obtained as a result of the intentional failure to comply  
27 plus damages equal to 3 times that amount.

1           (ii) The unemployment agency may refer the matter to the  
2 prosecuting attorney of the county in which the alleged violation  
3 occurred for prosecution. If the unemployment agency has not made  
4 its own determination under subdivision (i), the recovery sought  
5 by the prosecutor shall include the amount described in  
6 subdivision (i) and shall also include 1 or more of the following  
7 penalties:

8           (A) ~~If~~ **SUBJECT TO REDESIGNATION UNDER SUBSECTION (M), IF** the  
9 amount obtained or withheld from payment as a result of the  
10 intentional failure to comply is less than \$25,000.00, then 1 of  
11 the following:

12           (I) Imprisonment for not more than 1 year.

13           (II) The performance of community service of not more than 1  
14 year but not to exceed 2,080 hours.

15           (III) A combination of (I) and (II) that does not exceed 1  
16 year.

17           (B) If the amount obtained or withheld from payment as a  
18 result of the intentional failure to comply is \$25,000.00 or more  
19 but less than \$100,000.00, then 1 of the following:

20           (I) Imprisonment for not more than 2 years.

21           (II) The performance of community service of not more than 2  
22 years but not to exceed 4,160 hours.

23           (III) A combination of (I) and (II) that does not exceed 2  
24 years.

25           (C) If the amount obtained or withheld from payment as a  
26 result of the intentional failure to comply is more than  
27 \$100,000.00, then 1 of the following:

1 (I) Imprisonment for not more than 5 years.

2 (II) The performance of community service of not more than 5  
3 years but not to exceed 10,400 hours.

4 (III) A combination of (I) and (II) that does not exceed 5  
5 years.

6 (iii) If the unemployment agency determines that an amount has  
7 been obtained or withheld as a result of a knowing violation of  
8 this act, the unemployment agency may recover the amount obtained  
9 as a result of the knowing violation and may also recover damages  
10 equal to 3 times that amount.

11 (iv) The unemployment agency may refer a matter under  
12 subdivision (iii) to the prosecuting attorney of the county in  
13 which the alleged violation occurred for prosecution. If the  
14 unemployment agency has not made its own determination under  
15 subdivision (iii), the recovery sought by the prosecutor shall  
16 include the amount described in subdivision (iii) and shall also  
17 include 1 or more of the following penalties:

18 (A) ~~If~~ **SUBJECT TO REDESIGNATION UNDER SUBSECTION (M), IF** the  
19 amount obtained or withheld from payment as a result of the  
20 knowing violation is \$100,000.00 or less, then 1 of the  
21 following:

22 (I) Imprisonment for not more than 1 year.

23 (II) The performance of community service of not more than 1  
24 year but not to exceed 2,080 hours.

25 (III) A combination of (I) and (II) that does not exceed 1  
26 year.

27 (B) If the amount obtained or withheld from payment as a

1 result of the knowing violation is more than \$100,000.00, then 1  
2 of the following:

3 (I) Imprisonment for not more than 2 years.

4 (II) The performance of community service of not more than 2  
5 years but not to exceed 4,160 hours.

6 (III) A combination of (I) and (II) that does not exceed 2  
7 years.

8 (b) Any employing unit or an **OWNER, DIRECTOR**, officer, or  
9 agent of an employing unit, a claimant, an employee of the  
10 unemployment agency, or any other person who makes a false  
11 statement or representation knowing it to be false, or knowingly  
12 and willfully with intent to defraud fails to disclose a material  
13 fact, to obtain or increase a benefit or other payment under this  
14 act or under the unemployment compensation law of any state or of  
15 the federal government, either for himself or herself or any  
16 other person, to prevent or reduce the payment of benefits to an  
17 individual entitled thereto or to avoid becoming or remaining a  
18 subject employer, or to avoid or reduce a contribution or other  
19 payment required from an employing unit under this act or under  
20 the unemployment compensation law of any state or of the federal  
21 government, as applicable, is subject to administrative fines and  
22 is punishable as follows, notwithstanding any other penalties  
23 imposed under any other statute of this state or of the United  
24 States:

25 (i) If the amount obtained as a result of the knowing false  
26 statement or representation or the knowing and willful failure to  
27 disclose a material fact is less than \$500.00, the unemployment

1 agency may recover the amount obtained as a result of the knowing  
2 false statement or representation or the knowing and willful  
3 failure to disclose a material fact and may also recover damages  
4 equal to 2 times that amount. For a second or subsequent  
5 violation described in this subdivision, the unemployment agency  
6 may recover damages equal to 4 times the amount obtained.

7 (ii) If the amount obtained as a result of the knowing false  
8 statement or representation or the knowing and willful failure to  
9 disclose a material fact is \$500.00 or more, the unemployment  
10 agency shall attempt to recover the amount obtained as a result  
11 of the knowing false statement or representation or the knowing  
12 and willful failure to disclose a material fact and may also  
13 recover damages equal to 4 times that amount. The unemployment  
14 agency may refer the matter to the prosecuting attorney of the  
15 county in which the alleged violation occurred for prosecution.  
16 If the unemployment agency has not made its own determination  
17 under this subdivision, the recovery sought by the prosecutor  
18 shall include the amount described in this subdivision and shall  
19 also include 1 or more of the following penalties if the amount  
20 obtained is \$1,000.00 or more:

21 (A) ~~IF~~ **SUBJECT TO REDESIGNATION UNDER SUBSECTION (M), IF** the  
22 amount obtained or withheld from payment as a result of the  
23 knowing false statement or representation or the knowing and  
24 willful failure to disclose a material fact is \$1,000.00 or more  
25 but less than \$25,000.00, then 1 of the following:

26 (I) Imprisonment for not more than 1 year.

27 (II) The performance of community service of not more than 1



1 year but not to exceed 2,080 hours.

2 (III) A combination of (I) and (II) that does not exceed 1  
3 year.

4 (B) If the amount obtained or withheld from payment as a  
5 result of the knowing false statement or representation or the  
6 knowing and willful failure to disclose a material fact is  
7 \$25,000.00 or more, then 1 of the following:

8 (I) Imprisonment for not more than 2 years.

9 (II) The performance of community service of not more than 2  
10 years but not to exceed 4,160 hours.

11 (III) A combination of (I) and (II) that does not exceed 2  
12 years.

13 (C) If the knowing false statement or representation or the  
14 knowing and willful failure to disclose a material fact made to  
15 obtain or withhold an amount from payment does not result in a  
16 loss to the commission, then a recovery shall be sought equal to  
17 3 times the amount that would have been obtained by the knowing  
18 false statement or representation or the knowing and willful  
19 failure to disclose a material fact, but not less than \$1,000.00,  
20 and 1 of the following:

21 (I) Imprisonment for not more than 2 years.

22 (II) The performance of community service of not more than 2  
23 years but not to exceed 4,160 hours.

24 (III) A combination of (I) and (II) that does not exceed 2  
25 years.

26 (c) (1) Any employing unit or an **OWNER, DIRECTOR**, officer,  
27 or agent of an employing unit or any other person failing to

1 submit, when due, any contribution report, wage and employment  
2 report, or other reports lawfully prescribed and required by the  
3 unemployment agency shall be subject to the assessment of an  
4 administrative fine for each report not submitted within the time  
5 prescribed by the unemployment agency, as follows: In the case of  
6 contribution reports not received within 10 days after the end of  
7 the reporting month the fine shall be 10% of the contributions  
8 due on the reports but not less than \$5.00 or more than \$25.00  
9 for a report. However, if the tenth day falls on a Saturday,  
10 Sunday, legal holiday, or other unemployment agency nonwork day,  
11 the 10-day period shall run until the end of the next day which  
12 is not a Saturday, Sunday, legal holiday, or other unemployment  
13 agency nonwork day. In the case of all other reports referred to  
14 in this subsection, the fine shall be \$10.00 for a report.

15 (2) Notwithstanding subdivision (1), any employer or an  
16 **OWNER, DIRECTOR, officer, or agent of an employer or any other**  
17 **person failing to submit, when due, any quarterly wage detail**  
18 **report required by section 13(2), OR SUBMITTING AN INCOMPLETE OR**  
19 **ERRONEOUS REPORT, is subject to an administrative fine of \$25.00**  
20 **\$50.00 for each untimely report, INCOMPLETE REPORT, OR ERRONEOUS**  
21 **REPORT IF THE REPORT IS FILED NOT LATER THAN 30 DAYS AFTER THE**  
22 **DATE THE REPORT IS DUE, \$250.00 IF THE REPORT IS FILED MORE THAN**  
23 **1 CALENDAR QUARTER AFTER THE DATE THE REPORT IS DUE, AND AN**  
24 **ADDITIONAL \$250.00 FOR EACH ADDITIONAL CALENDAR QUARTER THAT THE**  
25 **REPORT IS LATE, EXCEPT THAT NO PENALTY SHALL APPLY IF THE**  
26 **EMPLOYER FILES A CORRECTED REPORT WITHIN 14 DAYS AFTER**  
27 **NOTIFICATION OF AN ERROR BY THE AGENCY.**

1           (3) If a report is filed after the prescribed time and it is  
2 shown to the satisfaction of the commission that the failure to  
3 submit the report was due to reasonable cause, a fine shall not  
4 be imposed. The assessment of a fine as provided in this  
5 subsection constitutes a final determination unless the employer  
6 files an application with the unemployment agency for a  
7 redetermination of the assessment in accordance with section 32a.

8           (d) If any employee or agent of the unemployment agency or  
9 member of the ~~appeal board~~ **MICHIGAN COMPENSATION APPELLATE**  
10 **COMMISSION** willfully discloses confidential information obtained  
11 from any employing unit or individual in the administration of  
12 this act for any purpose inconsistent with or contrary to the  
13 purposes of this act, or a person who obtains a list of  
14 applicants for work or of claimants or recipients of benefits  
15 under this act uses or permits use of that list for a political  
16 purpose or for a purpose inconsistent with or contrary to the  
17 purposes of this act, he or she is guilty of a misdemeanor  
18 punishable by imprisonment for not more than 90 days or a fine of  
19 not more than \$1,000.00, or both. Notwithstanding the preceding  
20 sentence, if any unemployment agency employee, agent of the  
21 unemployment agency, or member of the ~~board of review~~ **MICHIGAN**  
22 **COMPENSATION APPELLATE COMMISSION** knowingly, intentionally, and  
23 for financial gain, makes an illegal disclosure of confidential  
24 information obtained under section 13(2), he or she is guilty of  
25 a felony, punishable by imprisonment for not more than 1 year and  
26 1 day.

27           (e) A person who, without proper authority from the

1 unemployment agency, represents himself or herself to be an  
2 employee of the unemployment agency for the purpose of securing  
3 information regarding the unemployment or employment record of an  
4 individual is guilty of a misdemeanor punishable by imprisonment  
5 for not more than 90 days or a fine of not more than \$1,000.00,  
6 or both.

7 (f) A person associated with a college, university, or  
8 public agency of this state who makes use of any information  
9 obtained from the unemployment agency in connection with a  
10 research project of a public service nature, in a manner as to  
11 reveal the identity of any individual or employing unit from or  
12 concerning whom the information was obtained by the unemployment  
13 agency, or for any purpose other than use in connection with that  
14 research project, is guilty of a misdemeanor punishable by  
15 imprisonment for not more than 90 days or a fine of not more than  
16 \$1,000.00, or both.

17 (g) As used in this section, "person" includes an  
18 individual; ~~—OWNER, DIRECTOR, OR OFFICER OF AN EMPLOYING ENTITY;~~  
19 ~~copartnership; —joint venture; —corporation; —receiver; —or~~  
20 ~~trustee in bankruptcy.~~

21 (h) This section applies even if the amount obtained or  
22 withheld from payment has been reported or reported and paid by  
23 an individual involved in a violation of subsection (a) or (b).

24 (i) If a determination is made that an individual has  
25 violated this section, the individual is subject to the sanctions  
26 of this section and, if applicable, the requirements of section  
27 62.

(j) Amounts recovered by the commission under subsection (a) shall be credited first to the unemployment compensation fund and thereafter amounts recovered that are in excess of the amounts obtained or withheld as a result of the violation of subsection (a) shall be credited to the penalty and interest account of the contingent fund. Amounts recovered by the commission under subsections (c), (d), (e), and (f) shall be credited to the penalty and interest account of the contingent fund in accordance with section 10(6).

(k) Amounts recovered by the unemployment agency under subsection (b) shall be credited as follows:

(i) Deductions from unemployment insurance benefits shall be applied solely to the amount of the benefits liable to be repaid under this section.

(ii) All other recoveries shall be applied first to **REPAYMENT AMOUNTS OWED, WHICH SHALL BE DEPOSITED IN THE UNEMPLOYMENT COMPENSATION FUND; THEN TO** administrative sanctions and damages; ~~AND then to interest. , and then to the amount liable to be repaid.~~ The amounts applied to administrative sanctions, damages, and interest shall be credited to the ~~special fraud control fund created in section 10.~~ **CONTINGENT FUND.**

(l) The revisions in the penalties in subsections (a) and (b) provided by the 1991 amendatory act that added this subsection apply to conduct that began before April 1, 1992, but that continued on or after April 1, 1992, and to conduct that began on or after April 1, 1992.

**(M) A PERSON WHO OBTAINS OR WITHHOLDS AN AMOUNT OF**

1 UNEMPLOYMENT BENEFITS OR PAYMENTS EXCEEDING \$3,500.00 BUT LESS  
2 THAN \$25,000.00 AS A RESULT OF A KNOWING FALSE STATEMENT OR  
3 REPRESENTATION OR THE KNOWING AND WILLFUL FAILURE TO DISCLOSE A  
4 MATERIAL FACT IS GUILTY OF A FELONY PUNISHABLE AS PROVIDED IN  
5 SECTION (A) (ii) (A) OR (iv) (A) OR SECTION (B) (ii) (A) .

6       Sec. 62. (a) If the unemployment agency determines that a  
7 person has obtained benefits to which that person is not  
8 entitled, it may recover a sum equal to the amount received plus  
9 interest by 1 or more of the following methods: deduction from  
10 benefits or wages payable to the individual, payment by the  
11 individual in cash, or deduction from a tax refund payable to the  
12 individual as provided under section 30a of 1941 PA 122, MCL  
13 205.30a. Deduction from benefits or wages payable to the  
14 individual is limited to not more than ~~20%~~50% of each payment  
15 due the claimant. **THE UNEMPLOYMENT AGENCY SHALL ISSUE A**  
16 **DETERMINATION REQUIRING RESTITUTION WITHIN 3 YEARS AFTER THE DATE**  
17 **OF FINALITY OF A DETERMINATION, REDETERMINATION, OR DECISION**  
18 **REVERSING A PREVIOUS FINDING OF BENEFIT ENTITLEMENT.** The  
19 unemployment agency shall not **INITIATE ADMINISTRATIVE OR COURT**  
20 **ACTION TO** recover improperly paid benefits from an individual  
21 more than 3 years ~~, or more than 6 years in the case of a~~  
22 ~~violation of section 54(a) or (b) or sections 54a to 54c, after~~  
23 ~~the date of~~ **THAT THE LAST DETERMINATION, REDETERMINATION, OR**  
24 **DECISION ESTABLISHING RESTITUTION IS FINAL. THE UNEMPLOYMENT**  
25 **AGENCY SHALL ISSUE A DETERMINATION ON AN ISSUE WITHIN 3 YEARS**  
26 **FROM THE DATE THE CLAIMANT FIRST RECEIVED BENEFITS IN THE BENEFIT**  
27 **YEAR IN WHICH THE ISSUE AROSE, OR IN THE CASE OF AN ISSUE OF**

1 INTENTIONAL FALSE STATEMENT, MISREPRESENTATION, OR CONCEALMENT OF  
2 MATERIAL INFORMATION IN VIOLATION OF SECTION 54(A) OR (B) OR  
3 SECTIONS 54A TO 54C, WITHIN 6 YEARS AFTER THE receipt of the  
4 improperly paid benefits unless the unemployment agency filed a  
5 civil action in a court within the 3-year or 6-year period; the  
6 individual made an intentional false statement,  
7 misrepresentation, or concealment of material information to  
8 obtain the benefits; or the unemployment agency issued a  
9 determination requiring restitution within the 3-year or 6-year  
10 period. Except in a case of an intentional false statement,  
11 misrepresentation, or concealment of material information, the  
12 unemployment agency may waive recovery of an improperly paid  
13 benefit if the payment was not the fault of the individual and if  
14 repayment would be contrary to equity and good conscience and  
15 shall waive any interest. **IF THE AGENCY OR AN APPELLATE AUTHORITY**  
16 **WAIVES COLLECTION OF RESTITUTION AND INTEREST, THE WAIVER IS**  
17 **PROSPECTIVE AND DOES NOT APPLY TO RESTITUTION AND INTEREST**  
18 **PAYMENTS ALREADY MADE BY THE INDIVIDUAL.**

19 (b) For benefit years beginning before October 1, 2000, if  
20 the unemployment agency determines that a person has  
21 intentionally made a false statement or misrepresentation or has  
22 concealed material information to obtain benefits, whether or not  
23 the person obtains benefits by or because of the intentional  
24 false statement, misrepresentation, or concealment of material  
25 information, the person shall, in addition to any other  
26 applicable interest and penalties, have all of his or her  
27 uncharged credit weeks with respect to the benefit year in which

1 the act occurred canceled as of the date the unemployment agency  
2 receives notice of, or initiates investigation of, the possible  
3 false statement, misrepresentation, or concealment of material  
4 information, whichever date is earlier. Before receiving benefits  
5 in a benefit year established within 2 years after cancellation  
6 of uncharged credit weeks under this subsection, the individual,  
7 in addition to making the restitution of benefits established  
8 under subsection (a), may be liable for an additional amount as  
9 determined by the unemployment agency under this act, which may  
10 be paid by cash, deduction from benefits, or deduction from a tax  
11 refund. Restitution resulting from the intentional false  
12 statement, misrepresentation, or concealment of material  
13 information is not subject to the ~~20%~~ 50% limitation provided in  
14 subsection (a). For benefit years beginning on or after October  
15 1, 2000, if the unemployment agency determines that a person has  
16 intentionally made a false statement or misrepresentation or has  
17 concealed material information to obtain benefits, whether or not  
18 the person obtains benefits by or because of the intentional  
19 false statement, misrepresentation, or concealment of material  
20 information, the person shall, in addition to any other  
21 applicable interest and penalties, have his or her rights to  
22 benefits for the benefit year in which the act occurred canceled  
23 as of the date the unemployment agency receives notice of, or  
24 initiates investigation of, a possible false statement,  
25 misrepresentation, or concealment of material information,  
26 whichever date is earlier, and wages used to establish that  
27 benefit year shall not be used to establish another benefit year.



1 Before receiving benefits in a benefit year established within 2  
2 4 years after cancellation of rights to benefits under this  
3 subsection, the individual, in addition to making the restitution  
4 of benefits established under subsection (a), may be liable for  
5 an additional amount as otherwise determined by the unemployment  
6 agency under this act, which may be paid by cash, deduction from  
7 benefits, or deduction from a tax refund. Restitution resulting  
8 from the intentional false statement, misrepresentation, or  
9 concealment of material information is not subject to the ~~20%~~50%  
10 limitation provided in subsection (a).

11 (c) Any determination made by the unemployment agency under  
12 this section is final unless an application for a redetermination  
13 is filed in accordance with section 32a.

14 (d) The unemployment agency shall take the action necessary  
15 to recover all benefits improperly obtained or paid under this  
16 act, and to enforce all interest and penalties under subsection  
17 (b). **THE UNEMPLOYMENT AGENCY MAY CONDUCT AN AMNESTY PROGRAM FOR A  
18 DESIGNATED PERIOD UNDER WHICH PENALTIES AND INTEREST ASSESSED  
19 AGAINST AN INDIVIDUAL OWING RESTITUTION FOR IMPROPERLY PAID  
20 BENEFITS MAY BE WAIVED IF THE INDIVIDUAL PAYS THE FULL AMOUNT OF  
21 RESTITUTION OWING WITHIN THE PERIOD SPECIFIED BY THE AGENCY.**

22 (e) Interest recovered under this section shall be deposited  
23 in the ~~special fraud control fund created in section~~  
24 ~~10.~~**CONTINGENT FUND.**

25 Sec. 64. (1)(a) Payment of extended benefits under this  
26 section shall be made at the individual's weekly extended benefit  
27 rate, for any week of unemployment that begins in the

1 individual's eligibility period, to each individual who is fully  
2 eligible and not disqualified under this act, who has exhausted  
3 all rights to regular benefits under this act, who is not seeking  
4 or receiving benefits with respect to that week under the  
5 unemployment compensation law of Canada, and who does not have  
6 rights to benefits under the unemployment compensation law of any  
7 other state or the United States or to compensation or allowances  
8 under any other federal law, such as the trade expansion act, the  
9 automotive products trade act, or the railroad unemployment  
10 insurance act; however, if the individual is seeking benefits and  
11 the appropriate agency finally determines that the individual is  
12 not entitled to benefits under another law, the individual shall  
13 be considered to have exhausted the right to benefits. For the  
14 purpose of the preceding sentence, an individual shall have  
15 exhausted the right to regular benefits under this section with  
16 respect to any week of unemployment in the individual's  
17 eligibility period under either of the following circumstances:

18       (i) When payments of regular benefits may not be made for  
19 that week because the individual has received all regular  
20 benefits available based on his or her employment or wages during  
21 the base period for the current benefit year.

22       (ii) When the right to the benefits has terminated before  
23 that week by reason of the expiration or termination of the  
24 benefit year with respect to which the right existed; and the  
25 individual has no, or insufficient, wages or employment to  
26 establish a new benefit year. However, for purposes of this  
27 subsection, an individual shall be considered to have exhausted

1 the right to regular benefits with respect to any week of  
2 unemployment in his or her eligibility period when the individual  
3 may become entitled to regular benefits with respect to that week  
4 or future weeks, but the benefits are not payable at the time the  
5 individual claims extended benefits because final action on a  
6 pending redetermination or on an appeal has not yet been taken  
7 with respect to eligibility or qualification for the regular  
8 benefits or when the individual may be entitled to regular  
9 benefits with respect to future weeks of unemployment, but  
10 regular benefits are not payable with respect to any week of  
11 unemployment in his or her eligibility period by reason of  
12 seasonal limitations in any state unemployment compensation law.

13 (b) Except where inconsistent with the provisions of this  
14 section, the terms and conditions of this act that apply to  
15 claims for regular benefits and to the payment of those benefits  
16 apply to claims for extended benefits and to the payment of those  
17 benefits.

18 (c) An individual shall not be paid additional compensation  
19 and extended compensation with respect to the same week. If an  
20 individual is potentially eligible for both types of compensation  
21 in this state with respect to the same week, the ~~bureau~~  
22 **UNEMPLOYMENT AGENCY** may pay extended compensation instead of  
23 additional compensation with respect to the week. If an  
24 individual is potentially eligible for extended compensation in 1  
25 state and potentially eligible for additional compensation for  
26 the same week in another state, the individual may elect which of  
27 the 2 types of compensation to claim.

1           (2) The ~~bureau~~ **UNEMPLOYMENT AGENCY** shall establish, for each  
2 eligible individual who files an application, an extended benefit  
3 account with respect to that individual's benefit year. The  
4 amount established in the account shall be determined as follows:

5           (a) If subdivision (b) does not apply, whichever of the  
6 following is smaller:

7           (i) Fifty percent of the total amount of regular benefits  
8 payable to the individual under this act during the benefit year.

9           (ii) Thirteen times the individual's weekly extended benefit  
10 rate.

11           (b) With respect to a week beginning in a period in which  
12 the average rate of total unemployment as described in subsection  
13 (5)(c)(ii) equals or exceeds 8%, but no later than the end of the  
14 week in which extended benefits payable under this section cease  
15 to be funded under section 2005 of the American recovery and  
16 reinvestment act of 2009, Public Law 111-5, whichever of the  
17 following is smaller:

18           (i) Eighty percent of the total amount of regular benefits  
19 payable to the individual under this act during the benefit year.

20           (ii) Twenty times the individual's weekly extended benefit  
21 rate.

22           If an amount determined under this subsection is not an  
23 exact multiple of 1/2 of the individual's weekly extended benefit  
24 rate, the amount shall be decreased to the next lower such  
25 multiple.

26           (3) All of the following apply to an extended benefit  
27 period:

1 (a) The period begins with the third week after whichever of  
2 the following weeks first occurs:

3 (i) A week for which there is a national "on" indicator as  
4 determined by the United States secretary of labor.

5 (ii) A week for which there is a Michigan "on" indicator.

6 (b) The period ends with the third week after the first week  
7 for which there is both a national "off" indicator and a Michigan  
8 "off" indicator.

9 (c) The period is at least 13 consecutive weeks long, and  
10 does not begin by reason of a Michigan "on" indicator before the  
11 fourteenth week after the close of a prior extended benefit  
12 period under this section. However, an extended benefit period  
13 terminates with the week preceding the week for which no extended  
14 benefit payments are considered to be shareable compensation  
15 under the federal-state extended unemployment compensation act of  
16 1970, section 3304 nt of the internal revenue code of 1986, 26  
17 USC 3304 nt.

18 (4) An individual's "eligibility period" consists of the  
19 weeks in his or her benefit year that begin in an extended  
20 benefit period, and if his or her benefit year ends within the  
21 extended benefit period, any weeks thereafter that begin in the  
22 period.

23 (5) (a) With respect to weeks beginning after September 25,  
24 1982, a national "on" indicator for a week shall be determined by  
25 the United States secretary of labor.

26 (b) A national "off" indicator for a week shall be  
27 determined by the United States secretary of labor.

1 (c) There is a Michigan "on" indicator for a week if 1 or  
2 both of the following apply:

3 (i) The rate of insured unemployment under this act for the  
4 period consisting of that week and the immediately preceding 12  
5 weeks equaled or exceeded 120% of the average of the insured  
6 unemployment rates for the corresponding 13-week period ending in  
7 each of the preceding 2 calendar years, and equaled or exceeded  
8 5%. With respect to compensation for each week of unemployment  
9 beginning after December 17, 2010 and ending December 31, 2011,  
10 the rate of insured unemployment under this act for the period  
11 consisting of that week and the immediately preceding 12 weeks  
12 equaled or exceeded 120% of the average of the insured  
13 unemployment rates for the corresponding 13-week period ending in  
14 each of the preceding 3 calendar years, and equaled or exceeded  
15 5%.

16 (ii) For weeks beginning after December 17, 2010 and ending  
17 with the week ending 4 weeks before the last week of unemployment  
18 for which 100% federal sharing is available under section 2005(a)  
19 of Public Law 111-5, without regard to the extension of federal  
20 sharing for certain claims as provided under section 2005(c) of  
21 that law, the average rate of total unemployment in this state,  
22 seasonally adjusted, as determined by the United States secretary  
23 of labor, for the period consisting of the most recent 3 months  
24 for which data for all states are published before the close of  
25 the week equaled or exceeded both of the following:

26 (A) Six and one-half percent.

27 (B) One hundred ten percent of the average rate of total

1 unemployment in this state, seasonally adjusted, for the period  
2 consisting of the corresponding 3-month period in any or all of  
3 the preceding 3 calendar years.

4 (d) There is a Michigan "off" indicator for a week if, for  
5 the period consisting of that week and the immediately preceding  
6 12 weeks, either subdivision (c) (i) or (c) (ii) was not satisfied.  
7 Notwithstanding any other provision of this act, if this state is  
8 in a period in which temporary extended unemployment compensation  
9 is payable in this state under title II of the job creation and  
10 worker assistance act of 2002, Public Law 107-147, or another  
11 similar federal law, and if the governor has the authority under  
12 that federal act or another similar federal law, then the  
13 governor may elect to trigger "off" the Michigan indicator for  
14 extended benefits under this act only for a period in which  
15 temporary extended unemployment compensation is payable in this  
16 state, if the election by the governor would not result in a  
17 decrease in the number of weeks of unemployment benefits payable  
18 to an individual under this act or under federal law.

19 (e) For purposes of subdivisions (c) and (d), the rate of  
20 insured unemployment for any 13-week period shall be determined  
21 by reference to the average monthly covered employment under this  
22 act for the first 4 of the most recent 6 calendar quarters ending  
23 before the close of that period.

24 (f) As used in this subsection, "rate of insured  
25 unemployment" means the percentage determined by dividing:

26 (i) The average weekly number of individuals filing claims  
27 for regular benefits for weeks of unemployment with respect to

1 the specified period as determined on the basis of the reports  
2 made by all state agencies or, in the case of subdivisions (c)  
3 and (d), by the ~~bureau~~-**UNEMPLOYMENT AGENCY**, to the federal  
4 government; by

5 (ii) In the case of subdivisions (c) and (d), the average  
6 monthly covered employment under this act for the specified  
7 period.

8 (g) Calculations under subdivisions (c) and (d) shall be  
9 made by the ~~bureau~~-**UNEMPLOYMENT AGENCY** and shall conform to  
10 regulations, if any, prescribed by the United States secretary of  
11 labor under section 3304 nt of the internal revenue code of 1986,  
12 26 USC 3304 nt.

13 (6) As used in this section:

14 (a) "Regular benefits" means benefits payable to an  
15 individual under this act and, unless otherwise expressly  
16 provided, under any other state unemployment compensation law,  
17 including unemployment benefits payable pursuant to 5 USC 8501 to  
18 8525, other than extended benefits, and other than additional  
19 benefits which includes training benefits under section 27(g).

20 (b) "Extended benefits" means benefits, including additional  
21 benefits and unemployment benefits payable pursuant to 5 USC 8501  
22 to 8525, payable for weeks of unemployment beginning in an  
23 extended benefit period to an individual as provided under this  
24 section.

25 (c) "Additional benefits" means benefits totally financed by  
26 a state and payable to exhaustees by reason of conditions of high  
27 unemployment or by reason of other special factors under the



1 provisions of any state law as well as training benefits paid  
2 under section 27(g) with respect to an extended benefit period.

3 (d) "Weekly extended benefit rate" means an amount equal to  
4 the amount of regular benefits payable under this act to an  
5 individual within the individual's benefit year for a week of  
6 total unemployment, unless the individual had more than 1 weekly  
7 extended benefit rate within that benefit year, in which case the  
8 individual's weekly extended benefit rate shall be computed by  
9 dividing the maximum amount of regular benefits payable under  
10 this act within that benefit year by the number of weeks for  
11 which benefits were payable, adjusted to the next lower multiple  
12 of \$1.00.

13 (e) "Benefits payable" includes all benefits computed in  
14 accordance with section 27(d), irrespective of whether the  
15 individual was otherwise eligible for the benefits within his or  
16 her current benefit year and irrespective of any benefit  
17 reduction by reason of a disqualification that required a  
18 reduction.

19 (7) (a) Notwithstanding the provisions of subsection (1)(b),  
20 an individual is ineligible for payment of extended benefits for  
21 any week of unemployment if the ~~bureau~~**UNEMPLOYMENT AGENCY** finds  
22 that during that period either of the following occurred:

23 (i) The individual failed to accept any offer of suitable  
24 work or failed to apply for any suitable work to which the  
25 individual was referred by the ~~bureau~~**UNEMPLOYMENT AGENCY**.

26 (ii) The individual failed to actively engage in seeking work  
27 as described in subdivision (f).

1           (b) Any individual who has been found ineligible for  
2 extended benefits under subdivision (a) shall also be denied  
3 benefits beginning with the first day of the week following the  
4 week in which the failure occurred and until the individual has  
5 been employed in each of 4 subsequent weeks, whether or not  
6 consecutive, and has earned remuneration equal to not less than 4  
7 times the extended weekly benefit amount, as determined under  
8 subsection (2).

9           (c) As used in this subsection, "suitable work" means, with  
10 respect to any individual, any work that is within that  
11 individual's capabilities, if both of the following apply:

12           (i) The gross weekly remuneration payable for the work  
13 exceeds the sum of the following:

14           (A) The individual's extended weekly benefit amount as  
15 determined under subsection (2).

16           (B) The amount, if any, of supplemental unemployment  
17 compensation benefits, as defined in section 501(c)(17)(D) of the  
18 internal revenue code of 1986, 26 USC 501(c)(17)(D), payable to  
19 the individual for that week.

20           (ii) The employer pays wages not less than the higher of the  
21 minimum wage provided by section 6(a)(1) of the fair labor  
22 standards act of 1938, 29 USC 206(a)(1), without regard to any  
23 exemption, or the applicable state or local minimum wage.

24           (d) An individual shall not be denied extended benefits for  
25 failure to accept an offer of, or apply for, any job that meets  
26 the definition of suitable work in subdivision (c) if 1 or more  
27 of the following are true:

1           (i) The position was not offered to the individual in writing  
2 and was not listed with the state employment service.

3           (ii) The failure could not result in a denial of benefits  
4 under the definition of suitable work in section 29(6) to the  
5 extent that the criteria of suitability in that section are not  
6 inconsistent with the provisions of subdivision (c).

7           (iii) The individual furnishes satisfactory evidence to the  
8 ~~bureau~~ **UNEMPLOYMENT AGENCY** that his or her prospects for  
9 obtaining work in his or her customary occupation within a  
10 reasonably short period are good. If that evidence is deemed  
11 satisfactory for this purpose, the determination of whether any  
12 work is suitable with respect to that individual shall be made in  
13 accordance with the definition of suitable work in section 29(6)  
14 without regard to the definition in subdivision (c).

15           (e) Notwithstanding subsection (1)(b), work is not suitable  
16 work for an individual if the work does not meet the labor  
17 standard provisions required by section 3304(a)(5) of the  
18 internal revenue code of 1986, 26 USC 3304(a)(5), and section  
19 29(7).

20           (f) For the purposes of subdivision (a)(ii), an individual is  
21 actively engaged in seeking work during any week if both of the  
22 following are true:

23           (i) The individual has engaged in a systematic and sustained  
24 effort to obtain work during that week.

25           (ii) The individual furnishes tangible evidence to the ~~bureau~~  
26 **UNEMPLOYMENT AGENCY** that he or she has engaged in a systematic  
27 and sustained effort during that week.

1 (g) The ~~bureau~~ **UNEMPLOYMENT AGENCY** shall refer any applicant  
2 for extended benefits to any suitable work that meets the  
3 criteria prescribed in subdivisions (c) and (d).

4 (h) An individual is not eligible to receive extended  
5 benefits with respect to any week of unemployment in his or her  
6 eligibility period if that individual has been disqualified for  
7 benefits under this act because he or she voluntarily left work,  
8 was discharged for misconduct, or failed to accept an offer of or  
9 apply for suitable work unless the individual requalified in  
10 accordance with a specific provision of this act requiring that  
11 the individual be employed subsequent to the week in which the  
12 act or discharge occurred that caused the disqualification.

13 (8) (a) Except as provided in subdivision (b), payment of  
14 extended benefits shall not be made to any individual for any  
15 week of unemployment that otherwise would have been payable  
16 pursuant to an interstate claim filed in any state under the  
17 interstate benefit payment plan, if an extended benefit period is  
18 not in effect for the week in the state in which the interstate  
19 claim is filed.

20 (b) Subdivision (a) does not apply with respect to the first  
21 2 weeks for which extended benefits are payable, pursuant to an  
22 interstate claim, to the individual from the extended benefit  
23 account established for the individual.

24 (9) Notwithstanding the provisions of subsection (1)(b), an  
25 individual who established a benefit year under section ~~46a~~ **46** on  
26 or after January 2, 1983, shall be eligible to receive extended  
27 benefits only if the individual earned wages in an amount

1 exceeding 40 times the individual's most recent weekly benefit  
2 rate during the base period of the benefit year that is used to  
3 establish the individual's extended benefit account under  
4 subsection (2).

5 (10) This subsection is effective for weeks of unemployment  
6 beginning after October 30, 1982. Notwithstanding any other  
7 provision of this section, an individual's extended benefit  
8 entitlement, with respect to weeks of unemployment beginning  
9 after the end of the benefit year, shall be reduced, but not  
10 below zero, by the product of the number of weeks for which the  
11 individual received any amounts of trade readjustment allowances,  
12 paid under the trade act of 1974, Public Law 93-618, within that  
13 benefit year, multiplied by the individual's weekly benefit  
14 amount for extended benefits.

15 Enacting section 1. Sections 35 and 36 of 1936 (Ex Sess) PA  
16 1, MCL 421.35 and 421.36, are repealed.