

MICHIGAN PROFESSIONAL EMPLOYER ORGANIZATION REGULATORY ACT (EXCERPT)
Act 370 of 2010

***** 338.3735.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 1, 2012 *****

338.3735.amended Working capital; requirements.

Sec. 15. Unless otherwise exempt under this act, beginning September 1, 2012, each PEO or collectively each PEO group shall submit to the department evidence of and maintain either of the following:

(a) A minimum of \$100,000.00 in working capital, as defined by generally accepted accounting principles, as reflected in the financial statements submitted to the department with the initial license application and each annual renewal application. A PEO or PEO group with less than \$100,000.00 in working capital at renewal has 180 days to eliminate the deficiency in a manner acceptable to the department. During that 180-day period, the PEO or PEO group shall submit quarterly financial statements to the department accompanied by an attestation of the chief executive officer that all wages, taxes, worker's compensation premiums, and employee benefits have been paid by the PEO or members of the PEO group.

(b) A bond, irrevocable letter of credit, or securities with a minimum market value of \$100,000.00, acceptable to the department. The bond shall be held by a depository designated by the department to secure payment by the PEO of all taxes, wages, benefits, or other entitlements due to, or regarding, covered employees, if the PEO or PEO group does not make those payments when due. For any PEO or PEO group whose annual financial statements do not indicate positive working capital, the PEO shall provide a bond in the amount of \$100,000.00 plus an amount sufficient to cover the deficit in working capital.

History: 2010, Act 370, Eff. July 1, 2011;—Am. 2011, Act 125, Eff. Jan. 1, 2012.