

# SENATE BILL No. 806

November 9, 2011, Introduced by Senators BRANDENBURG, JANSEN, PAPPAGEORGE, ROBERTSON and PROOS and referred to the Committee on Finance.

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, 27, 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 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, sections 44 and 48 as amended and section 32b as added 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.** If an original document is destroyed or disposed of  
12 pursuant to this section, a reproduction of the document in a  
13 medium pursuant to the records media act, ~~a reproduction~~  
14 ~~consisting of a printout or other output readable by sight from~~  
15 ~~such a medium, or a summary or compilation of the document, if~~  
16 ~~certified by the director to be a true and accurate official~~  
17 ~~reproduction, compilation, or summary of the original~~  
18 **REPRODUCTION ACT, 1992 PA 116, MCL 24.401 TO 24.406,** is  
19 admissible in evidence the same as the original in any proceeding  
20 before the commission, ~~referee, or appeal board~~**ADMINISTRATIVE**  
21 **LAW JUDGE, OR MICHIGAN COMPENSATION APPELLATE COMMISSION** and in

1 all courts. ~~Information contained on printouts prepared by~~  
2 ~~automatic data processing equipment is also admissible in~~  
3 ~~evidence, if the original documents from which such information~~  
4 ~~was obtained would have been admissible.~~

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

15       (2) The administration fund shall be credited with all money  
16 appropriated to the fund by the legislature, all money received  
17 from the United States or any agency of the United States for  
18 that purpose, and all money received by this state for the fund.  
19 All money in the administration fund that is received from the  
20 federal government or any agency of the federal government or  
21 that is appropriated by this state for the purposes of this act,  
22 except money requisitioned from the account of this state in the  
23 unemployment trust fund pursuant to a specific appropriation made  
24 by the legislature in accordance with section 903(c)(2) of title  
25 IX of the social security act, 42 USC 1103(c)(2), and with  
26 section 17(3)(f), shall be expended solely for the purposes and  
27 in the amounts found necessary by the appropriate agency of the

1 United States and the legislature for the proper and efficient  
2 administration of this act.

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

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

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

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

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

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

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

15 (a) All interest and penalties collected under section 62.

16 (b) All gifts to, interest on, or profits earned by the  
17 special fraud control fund.

18 (c) Amounts credited under section 54(k) (ii) .

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

23 (9) All amounts in the special fraud control fund are to be  
24 used first for the acquisition of packaged software that has a  
25 proven record of success with the detection and collection of  
26 unemployment benefit overpayments and then for administrative  
27 costs associated with the prevention, discovery, and collection

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

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

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

1 security act, chapter 531, 49 Stat. 620.

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

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

22 (ii) Any information in the commission's possession that may  
23 affect a claim for benefits or a charge to an employer's  
24 experience account shall be available to interested parties as  
25 defined in R 421.201 of the Michigan administrative code, and to  
26 their agents, if their agents provide the unemployment insurance  
27 agency with a written authorization of representation from the

1 party represented. A written authorization of representation is  
2 not required in any of the following circumstances:

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

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

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

23 (iii) Except as provided in this act, the information and  
24 determinations shall not be used in any action or proceeding  
25 before any court or administrative tribunal unless the commission  
26 is a party to or a complainant in the action or proceeding, or  
27 unless used for the prosecution of fraud, civil proceeding, or

1 other legal proceeding in the programs indicated in subdivision  
2 (2).

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

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

21 (vi) Information obtained in connection with the  
22 administration of ~~the employment service~~ **THIS ACT** may be made  
23 available to persons or agencies for purposes appropriate to the  
24 operation of a public employment service **OR UNEMPLOYMENT**  
25 **COMPENSATION PROGRAM**. Subject to restrictions that the commission  
26 prescribes by rule, the commission may also make that information  
27 available to agencies of other states that are responsible for

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

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

21 (viii) Subject to restrictions the commission prescribes, by  
22 rule or otherwise, the commission may also make information that  
23 it obtains available for use in connection with research projects  
24 of a public service nature to a college, university, or agency of  
25 this state that is acting as a contractor or agent of a public  
26 official and conducting research that assists the public official  
27 in carrying out the duties of the office. A person associated

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

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

21 (2) The commission shall disclose to qualified requesting  
22 agencies, upon request, with respect to an identified individual,  
23 information in its records pertaining to the individual's name;  
24 social security number; gross wages paid during each quarter; the  
25 name, address, and federal and state employer identification  
26 number of the individual's employer; any other wage information;  
27 whether an individual is receiving, has received, or has applied

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

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

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

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

1           (iv) The food stamp program under the food stamp act of 1977,  
2 7 USC 2011 to 2036.

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

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

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

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

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

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

19           (3) The commission shall enable the United States department  
20 of health and human services to obtain prompt access to any wage  
21 and unemployment benefit claims information, including any  
22 information that may be useful in locating an absent parent or an  
23 absent parent's employer, for purposes of section 453 of the  
24 social security act, 42 USC 653, in carrying out the child  
25 support enforcement program under title IV of the social security  
26 act, 42 USC 601 to 679b. Access to the information shall not be  
27 provided unless the requesting agency agrees to reimburse the

1 commission for the costs incurred in furnishing the information.

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

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

27 (6) A recipient of confidential information under this act

1 shall use the disclosed information only for purposes authorized  
2 by law and consistent with an agreement entered into with the  
3 unemployment insurance agency. The recipient shall not redisclose  
4 the information to any other individual or entity without the  
5 written permission of the unemployment insurance agency.

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

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

20 (2) The commission may enter into reciprocal agreements with  
21 agencies of other states administering unemployment compensation,  
22 whereby contributions paid by an employer to any other state may  
23 be received by the other state as an agent acting for and on  
24 behalf of this state to the same extent as if the contributions  
25 had been paid directly to this state if the payment is remitted  
26 to this state. Contributions so received by another state shall  
27 be considered contributions, required and paid under this act as

1 of the date the contributions were received by the other state.  
2 The commission may collect contributions in a like manner for  
3 agencies of other states administering unemployment compensation  
4 and remit the contributions to the agencies under the terms of  
5 the reciprocal agreements.

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

12 (f) The commission may cooperate with or enter into  
13 agreements with any agency of another state or of the United  
14 States charged with the administration of any unemployment  
15 insurance or public employment service law.

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

25 On request of an agency that administers an employment  
26 security law of another state or foreign government and that has  
27 found, in accordance with that law, that a claimant is liable to

1 repay benefits received under that law, the commission may  
2 collect the amount of the benefits from the claimant to be  
3 refunded to the agency.

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

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

17       Any employer who is not a resident of this state and who  
18 exercises the privilege of having 1 or more individuals perform  
19 service for him or her within this state, and any resident  
20 employer who exercises that privilege and thereafter leaves this  
21 state, is considered to have appointed the secretary of state as  
22 his or her agent and attorney for the acceptance of process in  
23 any civil action under this act. In instituting the action, the  
24 commission shall cause process or notice to be filed with the  
25 secretary of state, and the service shall be sufficient and shall  
26 be of the same force and validity as if served upon the  
27 nonresident or absent employer personally within this state. The

1 commission immediately shall send notice of the service of  
2 process or notice, together with a copy thereof, by certified  
3 mail, return receipt requested, to the employer at his or her  
4 last known address. The return receipt, the commission's  
5 affidavit of compliance with this section, and a copy of the  
6 notice of service shall be attached to the original of the  
7 process filed in the court in which the civil action is pending.

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

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

27         The attorney general may commence action in this state as

1 agent for or on behalf of any other state to enforce judgments  
2 and established liabilities for unemployment compensation taxes  
3 or contributions, penalties, and interest due the other state if  
4 the other state extends a like comity to this state.

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

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

1 arrangements made under this section.

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

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

26 If the federal enactment providing for unemployment  
27 compensation, training allowance, or relocation payments requires

1 joint federal-state financing of such payments, the commission  
2 may participate in the programs by using funds appropriated by  
3 the legislature to the extent provided by the legislature for  
4 such programs.

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

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

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

20 (k) In a proceeding before any court, the commission and the  
21 state shall be represented by the attorney general of this state  
22 or attorneys designated by the attorney general. Only the  
23 attorney general or other attorneys designated by the attorney  
24 general shall act as legal counsel for the commission.

25 Sec. 13. (1) Each employer subject to this act shall pay to  
26 the ~~commission~~ **UNEMPLOYMENT AGENCY** a tax in the form of payments  
27 in lieu of contributions where the employer is liable for those

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

1 **AGENCY** periodic reports on forms and at a time ~~as the commission~~  
2 ~~shall prescribe~~ **THE UNEMPLOYMENT AGENCY PRESCRIBES** to disclose  
3 liability for contributions under this act. Each employing unit  
4 shall keep records, including wage and employment records, and  
5 shall, within prescribed time limits, submit or provide reports,  
6 including wage and employment reports, to the ~~commission~~  
7 **UNEMPLOYMENT AGENCY** or to the employing unit's employees or  
8 former employees as the ~~commission may by rule prescribe as~~  
9 ~~necessary to carry out this act.~~ **UNEMPLOYMENT AGENCY PRESCRIBES BY**  
10 **RULE.**

11 (2) Beginning with the first quarter of 1986, each employer  
12 shall file a quarterly wage report with the ~~commission,~~  
13 **UNEMPLOYMENT AGENCY,** on forms and at a time as the ~~commission~~  
14 ~~shall prescribe,~~ **UNEMPLOYMENT AGENCY PRESCRIBES,** which shall  
15 include for each of the employer's employees the employee's name,  
16 social security number, gross wages paid during each quarter, and  
17 the name, address, and federal and state employer identification  
18 number of the individual's employer. **IF THE UNEMPLOYMENT AGENCY**  
19 **DISCOVERS AN ERROR IN A REPORT FILED TIMELY, THE UNEMPLOYMENT**  
20 **AGENCY SHALL PROVIDE WRITTEN NOTIFICATION TO THE EMPLOYER OF THE**  
21 **ERROR. IF THE EMPLOYER PROVIDES CORRECTED INFORMATION WITHIN 14**  
22 **DAYS OF THE NOTIFICATION, THE ADMINISTRATIVE FINE PROVIDED IN**  
23 **SECTION 54 FOR A LATE, INCOMPLETE, OR ERRONEOUS REPORT SHALL NOT**  
24 **APPLY. AN EMPLOYER HAVING MORE THAN 25 EMPLOYEES ON JANUARY 1,**  
25 **2013 SHALL FILE QUARTERLY REPORTS BEGINNING WITH THE REPORT FOR**  
26 **THE FIRST QUARTER OF 2013 BY AN ELECTRONIC METHOD APPROVED BY THE**  
27 **UNEMPLOYMENT AGENCY. AN EMPLOYER HAVING MORE THAN 5 BUT FEWER**

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

20 (3) THE UNEMPLOYMENT AGENCY SHALL ALLOW A CONTRIBUTING  
21 EMPLOYER THAT EMPLOYED 25 OR FEWER INDIVIDUALS ON JANUARY 1, 2012  
22 AND THAT INCURRED 50% OR MORE OF THE EMPLOYER'S TOTAL PREVIOUS  
23 YEAR'S CONTRIBUTION OBLIGATION IN THE FIRST QUARTER OF THAT YEAR  
24 TO DISCHARGE THE LIABILITY FOR CONTRIBUTIONS DUE IN THE NEXT  
25 SUCCEEDING YEAR THROUGH QUARTERLY PAYMENTS THAT DISTRIBUTE THE  
26 PAYMENT OF THE FIRST QUARTER'S OBLIGATION EQUALLY OVER THE 4  
27 QUARTERS IN THAT YEAR. TO AVOID INTEREST AND PENALTIES OTHERWISE

1 APPLICABLE TO THOSE PAYMENTS, AN EMPLOYER MEETING THE  
2 REQUIREMENTS OF THIS SUBSECTION SHALL NOTIFY THE UNEMPLOYMENT  
3 AGENCY OF THE ELECTION TO MAKE APPORTIONED PAYMENTS WITH THE  
4 FIRST QUARTER'S PAYMENT AND TIMELY FILE EACH SUCCEEDING QUARTERLY  
5 PAYMENT IN THE AMOUNTS PRESCRIBED IN SECTION 15A. THIS SUBSECTION  
6 APPLIES TO CONTRIBUTIONS BEGINNING IN THE 2013 TAX YEAR.

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

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

18       (a) The PEO shall comply with all requirements of this act  
19 that apply to a contributing employer. The PEO shall file a  
20 single quarterly wage report and unemployment contribution report  
21 and pay contributions of its client employers based on the  
22 account information of each client employer. The unemployment  
23 agency shall convert a reimbursing employer to a contributing  
24 employer beginning with the calendar quarter in which the  
25 employer becomes a client employer of a PEO. The PEO shall file  
26 reports required under R 421.121 of the Michigan administrative  
27 code and make contribution payments by electronic reporting and

1 payment methods approved by the agency. The PEO shall notify the  
2 agency within 30 days after any employer becomes its client  
3 employer and within 30 days after any client employer  
4 discontinues its association with the PEO. All of the following  
5 apply to a rate calculation for client employers of the PEO:

6 (i) For a client employer that is a contributing employer and  
7 was a client employer of the PEO on the date that the PEO changed  
8 to the reporting method provided in this subdivision, the  
9 following rates apply:

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

14 (B) If the client employer was a client employer of the PEO  
15 for less than ~~8~~12 full calendar quarters, the client employer's  
16 unemployment tax rate will be based on the client employer's  
17 prior account and experience.

18 (C) If the client employer's account has been terminated for  
19 more than 1 year or if the client employer never previously  
20 registered with the agency, the client shall be separately  
21 registered using a method approved by the agency within 30 days  
22 after the employer becomes a client employer of the PEO. The  
23 client employer shall be assigned the new employer unemployment  
24 tax rate.

25 (ii) A business entity that is a contributing employer and  
26 becomes a client employer of the PEO on or after January 1, 2011  
27 shall retain its existing unemployment tax rate or establish a

1 new rate as provided in section 19.

2 (b) A PEO that is a liable employer and that was operating  
3 in this state before January 1, 2011 may elect and use the  
4 reporting method in subdivision (a) before January 1, 2014, but  
5 shall report using the method in subdivision (a) on and after  
6 January 1, 2014.

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

10 (4) A PEO that reports under subsection (2)(a) shall confirm  
11 the mailing address of the client employer, which may be stated  
12 as that of the PEO or of the client employer. The PEO shall  
13 disclose the business address of the client employer, which shall  
14 be the physical address of the client employer, to the agency.

15 (5) Either the PEO that reports under subsection (2)(a) or  
16 the PEO's client employers, but not both, shall file a quarterly  
17 wage detail report electronically, and shall file a quarterly  
18 contribution payment in a manner approved by the agency. **IF A  
19 CLIENT ENTITY OF A PEO LEASES SOME OF ITS EMPLOYEES FROM THE PEO  
20 BUT RETAINS THE REMAINDER OF ITS EMPLOYEES, THE LEASED EMPLOYEES  
21 SHALL BE REPORTED BY THE PEO UNDER THE CLIENT ENTITY'S  
22 UNEMPLOYMENT INSURANCE AGENCY ACCOUNT NUMBER AND THE RETAINED  
23 EMPLOYEES SHALL BE REPORTED BY THE CLIENT ENTITY UNDER AN AGENCY-  
24 ASSIGNED SUBACCOUNT NUMBER OF THE CLIENT ENTITY'S ACCOUNT NUMBER.**

25 (6) The agency shall issue a FUTA certification in  
26 accordance with the internal revenue code of 1986, 26 USC 1 to  
27 9834, and regulations, rulings, instructions, and directives of

1 the internal revenue service.

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

5 (8) As used in this section, "professional employer  
6 organization" or "PEO" means that term as defined in R  
7 421.190(1)(d) of the Michigan administrative code.

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

10 **UNEMPLOYMENT AGENCY, AND UNPAID RESTITUTION OF BENEFIT**

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

15 Amounts illegally obtained or previously withheld from payment  
16 and damages that are recovered by the ~~commission~~ **UNEMPLOYMENT**  
17 **AGENCY** under section 54(a) and (b) and sections 54a to 54c shall  
18 bear interest at the rate of 1% per month, computed on a day-to-  
19 day basis for each day the amounts remain unpaid until payment  
20 plus accrued interest is received by the ~~commission.~~ **UNEMPLOYMENT**

21 **AGENCY.** The interest on unpaid contributions **AND ON UNPAID**  
22 **BENEFIT OVERPAYMENTS**, exclusive of penalties, shall not exceed  
23 50% of the amount of contributions due at due date **OR 50% OF THE**  
24 **AMOUNT OF RESTITUTION OWING.** Interest and penalties collected  
25 pursuant to this section shall be paid into the contingent fund,  
26 except that interest and penalties collected under section 62  
27 shall be paid into the special fraud control fund. The ~~commission~~

1 **UNEMPLOYMENT AGENCY** may cancel any interest and any penalty when  
2 it is shown that the failure to pay on or before the last day on  
3 which the tax could have been paid without interest and penalty  
4 was not the result of negligence, intentional disregard of the  
5 rules of the ~~commission~~, **UNEMPLOYMENT AGENCY**, or fraud.

6 (b) The ~~commission~~ **UNEMPLOYMENT AGENCY** may make assessments  
7 against an employer, claimant, employee of the ~~commission~~,  
8 **UNEMPLOYMENT AGENCY**, or third party who fails to pay  
9 contributions, **RESTITUTION OF BENEFIT OVERPAYMENTS**, reimbursement  
10 payments in lieu of contributions, penalties, forfeitures, or  
11 interest as required by this act. The ~~commission~~ **UNEMPLOYMENT**  
12 **AGENCY** shall immediately notify the employer, claimant, employee  
13 of the ~~commission~~, **UNEMPLOYMENT AGENCY**, or third party of the  
14 assessment in writing by first-class mail. An assessment by the  
15 ~~commission~~ **UNEMPLOYMENT AGENCY** against a claimant, an employee of  
16 the ~~commission~~, **UNEMPLOYMENT AGENCY**, or a third party under this  
17 subsection shall be made only for penalties and interest on those  
18 penalties for violations of section 54(a) or (b) or sections 54a  
19 to 54c. The assessment is a final determination unless the  
20 employer, claimant, employee of the ~~commission~~, **UNEMPLOYMENT**  
21 **AGENCY**, or third party files with the ~~commission~~ **UNEMPLOYMENT**  
22 **AGENCY** an application for a redetermination of the assessment in  
23 accordance with section 32a. A review by the ~~commission~~  
24 **UNEMPLOYMENT AGENCY** or an appeal to a ~~referee~~ **AN ADMINISTRATIVE**  
25 **LAW JUDGE** or the ~~appeal board~~ **MICHIGAN COMPENSATION APPELLATE**  
26 **COMMISSION** on the assessment does not reopen a question  
27 concerning an employer's liability for contributions or

1 reimbursement payments in lieu of contributions **OR A CLAIMANT'S**  
2 **ENTITLEMENT TO BENEFITS**, unless the **CLAIMANT OR** employer was not  
3 a party to the proceeding or decision where the basis for the  
4 assessment was determined. An employer may pay an assessment  
5 under protest and file an action to recover the amount paid as  
6 provided under subsection (d). Unless an assessment is paid  
7 within 15 days after it becomes final the ~~commission~~-**UNEMPLOYMENT**  
8 **AGENCY** may issue a warrant under its official seal for the  
9 collection of the assessed amount. The ~~commission~~-**UNEMPLOYMENT**  
10 **AGENCY** through its authorized employees, under a warrant issued,  
11 may **PLACE A LIEN ON ANY BANK ACCOUNT OF THE CLAIMANT OR EMPLOYER**  
12 **AND MAY** levy upon and sell the property of the employer that is  
13 used in connection with the employer's business, or that is  
14 subject to a notice to withhold, found within the state, for the  
15 payment of the amount of the contributions including penalties,  
16 interests, and the cost of executing the warrant. Property of the  
17 employer used in connection with the employer's business is not  
18 exempt from levy under the warrant. Wages subject to a notice to  
19 withhold are exempt to the extent the wages are exempt from  
20 garnishment under the laws of this state. The warrant shall be  
21 returned to the ~~commission~~-**UNEMPLOYMENT AGENCY** together with the  
22 money collected under the warrant within the time specified in  
23 the warrant which shall not be less than 20 or more than 90 days  
24 after the date of the warrant. The ~~commission~~-**UNEMPLOYMENT AGENCY**  
25 shall proceed upon the warrant as prescribed by law in respect to  
26 executions issued against property upon judgments by a court of  
27 record. The state, through the ~~commission~~-**UNEMPLOYMENT AGENCY** or

1 some other officer or agent designated by it, may bid for and  
2 purchase property sold under the provisions of this subsection.  
3 If an employer, claimant, employee of the ~~commission,~~  
4 **UNEMPLOYMENT AGENCY**, or third party, as applicable, is delinquent  
5 in the payment of a contribution, reimbursement payment in lieu  
6 of contribution, penalty, forfeiture, or interest provided for in  
7 this act, the ~~commission~~**UNEMPLOYMENT AGENCY** may give notice of  
8 the amount of the delinquency served either personally or by  
9 mail, to a person or legal entity, including the state and its  
10 subdivisions, that has in its possession or under its control a  
11 credit or other intangible property belonging to the employer,  
12 claimant, employee of the ~~commission,~~**UNEMPLOYMENT AGENCY**, or  
13 third party, or who owes a debt to the employer, claimant,  
14 employee of the ~~commission,~~**UNEMPLOYMENT AGENCY**, or third party  
15 at the time of the receipt of the notice. A person or legal  
16 entity so notified shall not transfer or dispose of the credit,  
17 other intangible property, or debt without retaining an amount  
18 sufficient to pay the amount specified in the notice unless the  
19 unemployment agency consents to a transfer or disposition or 45  
20 days have elapsed from the receipt of the notice. A person or  
21 legal entity so notified shall advise the unemployment agency  
22 within 5 days after receipt of the notice of a credit, other  
23 intangible property, or debt, which is in its possession, under  
24 its control, or owed by it. A person or legal entity that is  
25 notified and that transfers or disposes of credits or personal  
26 property in violation of this section is liable to the  
27 unemployment agency for the value of the property or the amount

1 of the debts thus transferred or paid, but not more than the  
2 amount specified in the notice. An amount due a delinquent  
3 employer, claimant, employee of the unemployment agency, or third  
4 party subject to a notice to withhold shall be paid to the  
5 unemployment agency upon service upon the debtor of a warrant  
6 issued under this section.

7 (c) In addition to the mode of collection provided in  
8 subsection (b), if, after due notice, an employer defaults in  
9 payment of contributions or interest on the contributions, or a  
10 claimant, employee of the unemployment agency, or third party  
11 defaults in the payment of a penalty or interest on a penalty,  
12 the unemployment agency may bring an action at law in a court of  
13 competent jurisdiction to collect and recover the amount of a  
14 contribution, and any interest on the contribution, or the  
15 penalty or interest on the penalty, and in addition 10% of the  
16 amount of contributions or penalties found to be due, as damages.  
17 An employer, claimant, employee of the unemployment agency, or  
18 third party adjudged in default shall pay costs of the action. An  
19 action by the unemployment agency against a claimant, employee of  
20 the unemployment agency, or third party under this subsection  
21 shall be brought only to recover penalties and interest on those  
22 penalties for violations of section 54(a) or (b) or sections 54a  
23 to 54c. Civil actions brought under this section shall be heard  
24 by the court at the earliest possible date. If a judgment is  
25 obtained against an employer for contributions and an execution  
26 on that judgment is returned unsatisfied, the employer may be  
27 enjoined from operating and doing business in this state until

1 the judgment is satisfied. The circuit court of the county in  
2 which the judgment is docketed or the circuit court for the  
3 county of Ingham may grant an injunction upon the petition of the  
4 unemployment agency. A copy of the petition for injunction and a  
5 notice of when and where the court shall act on the petition  
6 shall be served on the employer at least 21 days before the court  
7 may grant the injunction.

8 (d) An employer or employing unit improperly charged or  
9 assessed contributions provided for under this act, or a  
10 claimant, employee of the unemployment agency, or third party  
11 improperly assessed a penalty under this act and who paid the  
12 contributions or penalty under protest within 30 days after the  
13 mailing of the notice of determination of assessment, may recover  
14 the amount improperly collected or paid, together with interest,  
15 in any proper action against the unemployment agency. The circuit  
16 court of the county in which the employer or employing unit or  
17 claimant, employee of the unemployment agency, or third party  
18 resides, or, in the case of an employer or employing unit, in  
19 which is located the principal office or place of business of the  
20 employer or employing unit, has original jurisdiction of an  
21 action to recover contributions improperly paid or collected or a  
22 penalty improperly assessed whether or not the charge or  
23 assessment has been reviewed by the unemployment agency or heard  
24 or reviewed by a referee or the appeal board. The court has no  
25 jurisdiction of the action unless written notice of claim is  
26 given to the unemployment agency at least 30 days before the  
27 institution of the action. In an action to recover contributions

1 paid or collected or penalties assessed, the court shall allow  
2 costs it considers proper. Either party to the action has the  
3 right of appeal as is now provided by law in other civil actions.  
4 An action by a claimant, employee of the unemployment agency, or  
5 third party against the unemployment agency under this subsection  
6 shall be brought only to recover penalties and interest on those  
7 penalties improperly assessed by the unemployment agency under  
8 section 54(a) or (b) or sections 54a to 54c. If a final judgment  
9 is rendered in favor of the plaintiff in an action to recover the  
10 amount of contributions illegally collected or charged, the  
11 treasurer of the unemployment agency, upon receipt of a certified  
12 copy of the final judgment, shall pay the amount of contributions  
13 illegally collected or charged or penalties assessed from the  
14 clearing account, and pay interest as allowed by the court, in an  
15 amount not to exceed the actual earnings of the contributions as  
16 found to have been illegally collected or charged, from the  
17 contingent fund.

18 (e) Except for liens and encumbrances recorded before the  
19 filing of the notice provided for in this section, all  
20 contributions, interest, and penalties payable under this act to  
21 the unemployment agency from an employer, claimant, employee of  
22 the unemployment agency, or third party that neglects to pay the  
23 same when due are a first and prior lien upon all property and  
24 rights to property, real and personal, belonging to the employer,  
25 claimant, employee of the unemployment agency, or third party.  
26 The lien continues until the liability for that amount or a  
27 judgment arising out of the liability is satisfied or becomes

1 unenforceable by reason of lapse of time. The lien attaches to  
2 the property and rights to property of the employer, claimant,  
3 employee of the unemployment agency, or third party, whether real  
4 or personal, from and after the required filing date of the  
5 report upon which the specific tax is computed. Notice of the  
6 lien shall be recorded in the office of the register of deeds of  
7 the county in which the property subject to the lien is situated,  
8 and the register of deeds shall receive the notice for recording.  
9 **NOTICE OF THE LIEN MAY ALSO BE FILED WITH THE SECRETARY OF STATE**  
10 **IN ACCORDANCE WITH THE STATE TAX LIEN REGISTRATION ACT, 1968 PA**  
11 **203, MCL 211.681 TO 211.687.** This subsection applies only to  
12 penalties and interest on those penalties assessed by the  
13 unemployment agency against a claimant, employee of the  
14 unemployment agency, or third party for violations of section  
15 54(a) or (b) or sections 54a to 54c.

16 If there is a distribution of an employer's assets pursuant  
17 to an order of a court under the laws of this state, including a  
18 receivership, assignment for benefit of creditors, adjudicated  
19 insolvency, composition, or similar proceedings, contributions  
20 then or thereafter due shall be paid in full before all other  
21 claims except for wages and compensation under the worker's  
22 disability compensation act of 1969, 1969 PA 317, MCL 418.101 to  
23 418.941. In the distribution of estates of decedents, claims for  
24 funeral expenses and expenses of last sickness shall also be  
25 entitled to priority.

26 (f) An injunction shall not issue to stay proceedings for  
27 assessment or collection of contributions, or interest or penalty

1 on contributions, levied and required by this act.

2 (g) A person or employing unit ~~—~~that acquires the  
3 organization, trade, business, or 75% or more of the assets from  
4 an employing unit, as a successor described in section 41(2), is  
5 liable for contributions and interest due to the unemployment  
6 agency from the transferor at the time of the acquisition in an  
7 amount not to exceed the reasonable value of the organization,  
8 trade, business, or assets acquired, less the amount of a secured  
9 interest in the assets owned by the transferee that are entitled  
10 to priority. The transferor or transferee who has, not less than  
11 10 days before the acquisition, requested from the unemployment  
12 agency in writing a statement certifying the status of  
13 contribution liability of the transferor shall be provided with  
14 that statement and the transferee is not liable for any amount  
15 due from the transferor in excess of the amount of liability  
16 computed as prescribed in this subsection and certified by the  
17 unemployment agency. At least 2 calendar days not including a  
18 Saturday, Sunday, or legal holiday before the acceptance of an  
19 offer, the transferor, or the transferor's real estate broker or  
20 other agent representing the transferor, shall disclose to the  
21 transferee on a form provided by the unemployment agency, the  
22 amounts of the transferor's outstanding unemployment tax  
23 liability, unreported unemployment tax liability, and the tax  
24 payments, tax rates, and cumulative benefit charges for the most  
25 recent 5 years, a listing of all individuals currently employed  
26 by the transferor, and a listing of all employees separated from  
27 employment with the transferor in the most recent 12 months. This

1 form shall specify any other information the unemployment agency  
2 determines is required for a transferee to estimate future  
3 unemployment compensation costs based on the transferor's benefit  
4 charge and unemployment tax reporting and payment experience.  
5 Failure of the transferor, or the transferor's real estate broker  
6 or other agent representing the transferor, to provide accurate  
7 information required by this subsection is a misdemeanor  
8 punishable by imprisonment for not more than 90 days, or a fine  
9 of not more than \$2,500.00, or both. In addition, the transferor,  
10 or the transferor's real estate broker or other agent  
11 representing the transferor, is liable to the transferee for any  
12 consequential damages resulting from the failure to comply with  
13 this subsection. However, the real estate broker or other agent  
14 is not liable for consequential damages if he or she exercised  
15 good faith in compliance with the disclosure of information. The  
16 remedy provided the transferee is not exclusive, and does not  
17 reduce any other right or remedy against any party provided for  
18 in this or any other act. Nothing in this subsection decreases  
19 the liability of the transferee as a successor in interest, or  
20 prevents the transfer of a rating account balance as provided in  
21 this act. The foregoing provisions are in addition to the  
22 remedies the unemployment agency has against the transferor.

23 (h) If a part of a deficiency in payment of the employer's  
24 contribution to the fund is due to negligence or intentional  
25 disregard of unemployment agency rules, but without intention to  
26 defraud, 5% of the total amount of the deficiency, in addition to  
27 the deficiency and all other interest charges and penalties

1 provided herein, shall be assessed, collected, and paid in the  
2 same manner as a deficiency. If a part of a deficiency is  
3 determined in an action at law to be due to fraud with intent to  
4 avoid payment of contributions to the fund, then the judgment  
5 rendered shall include an amount equal to 50% of the total amount  
6 of the deficiency, in addition to the deficiency and all other  
7 interest charges and penalties provided herein.

8 (i) If an employing unit fails to make a report as  
9 reasonably required by the rules of the unemployment agency  
10 pursuant to this act, the unemployment agency may estimate the  
11 liability of that employing unit from information it obtains and,  
12 according to that estimate, assess the employing unit for the  
13 contributions, penalties, and interest due. The unemployment  
14 agency may act under this subsection only after a default  
15 continues for 30 days and after the unemployment agency has  
16 determined that the default of the employing unit is willful.

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

20 (k) The rights respecting the collection of contributions  
21 and the levy of interest and penalties and damages made available  
22 to the unemployment agency by this section are additional to  
23 other powers and rights vested in the unemployment agency under  
24 other provisions of this act. The unemployment agency may  
25 exercise any of the collection remedies under this act even  
26 though an application for a redetermination or an appeal is  
27 pending final disposition.

1           (l) A person recording a lien under this section shall pay a  
2 fee of \$2.00 for recording a lien and a fee of \$2.00 for  
3 recording a discharge of a lien.

4           (M) THE UNEMPLOYMENT AGENCY MAY OBTAIN RESTITUTION DUE FROM  
5 A CLAIMANT AS A RESULT OF A BENEFIT OVERPAYMENT THAT HAS BECOME  
6 FINAL BY ANY OF THE FOLLOWING METHODS:

7           (1) LEVY OF A BANK ACCOUNT BELONGING TO THE CLAIMANT.

8           (2) ENTRY INTO A WAGE ASSIGNMENT WITH THE CLAIMANT.

9           (3) ISSUING AN ADMINISTRATIVE GARNISHMENT OF THE WAGES OF  
10 THE CLAIMANT.

11           (N) TO OBTAIN AN ADMINISTRATIVE GARNISHMENT, THE  
12 UNEMPLOYMENT AGENCY SHALL NOTIFY THE CLAIMANT OF BOTH OF THE  
13 FOLLOWING: THE INTENTION TO ISSUE AN ADMINISTRATIVE GARNISHMENT  
14 ON THE CLAIMANT'S EMPLOYER AND THE AMOUNT DUE FROM THE CLAIMANT.  
15 THE NOTICE SHALL INCLUDE A DEMAND FOR IMMEDIATE PAYMENT OF THE  
16 AMOUNT DUE. NOT LESS THAN 30 DAYS AFTER ISSUING THE NOTICE TO THE  
17 CLAIMANT, THE UNEMPLOYMENT AGENCY SHALL NOTIFY THE CLAIMANT'S  
18 EMPLOYER TO WITHHOLD FROM EARNINGS DUE OR TO BECOME DUE FROM THE  
19 CLAIMANT THE AMOUNT SHOWN ON THE NOTICE PLUS ACCRUED INTEREST.  
20 THE EMPLOYER SHALL COMPLY WITH THE NOTICE TO WITHHOLD AND SHALL  
21 CONTINUE TO WITHHOLD EACH PAY PERIOD THE AMOUNT SHOWN ON THE  
22 NOTICE PLUS ACCRUED INTEREST UNTIL THE GARNISHMENT NOTICE IS  
23 RELEASED BY THE UNEMPLOYMENT AGENCY. THE UNEMPLOYMENT AGENCY'S  
24 ADMINISTRATIVE GARNISHMENT HAS PRIORITY OVER ANY SUBSEQUENT  
25 GARNISHMENTS OR WAGE ASSIGNMENT. THE MAXIMUM GARNISHMENT ALLOWED  
26 FOR ANY PAY PERIOD SHALL BE DECREASED BY ANY AMOUNTS PAYABLE  
27 UNDER ANY OTHER GARNISHMENT ACTION SERVED BEFORE THE UNEMPLOYMENT

1 AGENCY'S GARNISHMENT NOTICE ON THE EMPLOYER OR ANY OTHER  
2 IRREVOCABLE AND PREVIOUSLY EFFECTIVE ASSIGNMENT OF WAGES. THE  
3 EMPLOYER SHALL NOTIFY THE UNEMPLOYMENT AGENCY OF THE AMOUNTS OF  
4 ANY IRREVOCABLE AND PREVIOUSLY EFFECTIVE ASSIGNMENT OF WAGES  
5 WITHIN 10 CALENDAR DAYS OF THE DATE OF THE UNEMPLOYMENT AGENCY'S  
6 NOTICE TO WITHHOLD WAGES. THE EMPLOYER SHALL REMIT TO THE AGENCY  
7 THE AMOUNT WITHHELD PURSUANT TO THE ADMINISTRATIVE GARNISHMENT  
8 WITHIN 10 DAYS AFTER THE END OF EACH PAY PERIOD IN WHICH WAGES  
9 ARE REQUIRED TO BE WITHHELD UNDER THE ADMINISTRATIVE GARNISHMENT.  
10 THE EMPLOYER SHALL NOTIFY THE UNEMPLOYMENT AGENCY WITHIN 10 DAYS  
11 IF THE CLAIMANT CEASES TO BE EMPLOYED BY THE EMPLOYER.

12 (O) BEFORE PAYMENT OF A PRIZE OF \$1,000.00 OR MORE UNDER THE  
13 MCCAULEY-TRAXLER-LAW-BOWMAN-MCNEELEY LOTTERY ACT, 1972 PA 239,  
14 MCL 432.1 TO 432.47, THE BUREAU OF STATE LOTTERY SHALL DETERMINE  
15 WHETHER A LOTTERY PRIZE WINNER HAS A CURRENT LIABILITY FOR  
16 RESTITUTION OF UNEMPLOYMENT BENEFITS, PENALTY, OR INTEREST,  
17 ASSESSED BY THE UNEMPLOYMENT INSURANCE AGENCY AND THE AMOUNT OF  
18 THE PRIZE OWING TO THE UNEMPLOYMENT INSURANCE AGENCY AND SHALL  
19 REMIT THAT AMOUNT TO THE UNEMPLOYMENT INSURANCE AGENCY.

20 (P) BEFORE PAYMENT OF A PRIZE OF \$1,000.00 OR MORE BY A  
21 CASINO UNDER THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL  
22 1, MCL 432.201 TO 432.226, THE MICHIGAN GAMING CONTROL BOARD  
23 SHALL DETERMINE WHETHER A PRIZE WINNER HAS A CURRENT LIABILITY  
24 FOR RESTITUTION, PENALTY, OR INTEREST ASSESSED BY THE  
25 UNEMPLOYMENT INSURANCE AGENCY AND THE AMOUNT OF THE AMOUNT OF THE  
26 PRIZE OWING TO THE UNEMPLOYMENT INSURANCE AGENCY AND SHALL REMIT  
27 THAT AMOUNT TO THE UNEMPLOYMENT INSURANCE AGENCY.

1           (Q) BEFORE PAYMENT OF A PRIZE OF \$1,000.00 OR MORE UNDER THE  
2 HORSE RACING LAW OF 1995, 1995 PA 279, MCL 431.301 TO 431.336,  
3 THE OFFICE OF RACING COMMISSIONER SHALL DETERMINE WHETHER A PRIZE  
4 WINNER HAS A CURRENT LIABILITY FOR RESTITUTION, PENALTY, OR  
5 INTEREST ASSESSED BY THE UNEMPLOYMENT INSURANCE AGENCY AND THE  
6 AMOUNT OF THE PRIZE OWING TO THE UNEMPLOYMENT INSURANCE AGENCY  
7 AND SHALL REMIT THAT AMOUNT TO THE UNEMPLOYMENT INSURANCE AGENCY.

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

14           (A) FIRST QUARTER - 25% OF THE TOTAL OBLIGATION INCURRED IN  
15 THE FIRST QUARTER.

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

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

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

22           (2) IF AN EMPLOYER FAILS IN ANY QUARTER TO PAY IN FULL, BY  
23 THE DUE DATE OF THE TAX PAYMENT FOR THAT QUARTER, THE PERCENTAGE  
24 OF THE TAX DEFERRED FROM THE FIRST QUARTER AS DESCRIBED IN  
25 SUBSECTION (1), THE UNEMPLOYMENT AGENCY MAY COLLECT INTEREST AT  
26 THE RATE SPECIFIED IN SECTION 15 ON THE AMOUNT OF THE DEFERRED  
27 TAX THAT IS DUE IN THAT QUARTER AND UNPAID.

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

11           (2) The nonchargeable benefits account shall be credited  
12 with the following:

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

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

20           (c) The proceeds of the nonchargeable benefits component of  
21 employers' contribution rates determined as provided in section  
22 19(a)(5).

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

24           (e) All amounts that may be paid or advanced by the federal  
25 government under section 903 or section 1201 of the social  
26 security act, 42 USC 1103 and 1321, to the account of the state  
27 in the federal unemployment trust fund.

1 (f) All benefits improperly paid to claimants that have been  
2 recovered and that were previously charged to an employer's  
3 account.

4 (g) Any benefits forfeited by an individual by application  
5 of section 62(b).

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

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

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

14 (k) Amounts transferred from the contingent fund under  
15 section 10.

16 (3) The nonchargeable benefits account shall be charged with  
17 the following:

18 (a) Any negative balance remaining in an 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 has elected to change from a contributing employer to a  
22 reimbursing employer.

23 (b) Refunds of amounts erroneously collected due to the  
24 nonchargeable benefits component of an employer's contribution  
25 rate.

26 (c) All training benefits paid under section 27(g) not  
27 reimbursable by the federal government and based on service with

1 a contributing employer.

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

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

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

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

14 (h) The amount of any substitute check **OR OTHER PAYMENT**  
15 issued to replace an uncashed benefit check, employer refund  
16 check, ~~or~~ claimant restitution refund check, **OR OTHER PAYMENT**  
17 previously credited to this account.

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

23 (j) All benefits that become nonchargeable to an employer  
24 under ~~section 29(3) or~~ section 19(b) or (c) **OR SECTION**  
25 **29(1)(A)(ii) OR (iii) OR (3)**.

26 (k) For benefit years beginning before October 1, 2000, with  
27 benefits allocated under section 20(e)(2) for a week of

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

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

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

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

1 assessment that results from the contribution rate adjustment and  
2 a written request for the application is filed by the employer  
3 during this period.

4 (5) If an employer who has ceased to be subject to this act,  
5 and who has had a positive **OR NEGATIVE** balance transferred as  
6 provided in subsection (2) **OR (3)** from the employer's experience  
7 account to the solvency or nonchargeable benefits account as of  
8 the second computation date after the employer has ceased to be  
9 subject to this act, becomes subject to this act again within 6  
10 years after that computation date, ~~the employer may apply, within~~  
11 ~~60 days after the bureau's determination that the employer is~~  
12 ~~again subject to this act, to the bureau to have~~ **THE UNEMPLOYMENT**  
13 **AGENCY SHALL TRANSFER** the positive **OR NEGATIVE** balance, adjusted  
14 by the debits and credits ~~as have been made subsequent to~~ **THAT**  
15 **ARE MADE AFTER** the date of transfer, ~~credited to the employer's~~  
16 new experience account. ~~If the application is timely, the bureau~~  
17 ~~shall credit the positive balance to the employer's new~~  
18 ~~experience account.~~

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

1 to the employer's new experience account. However, an employer  
2 who is delinquent with respect to any reimbursement payments in  
3 lieu of contributions for which the employer may be liable shall  
4 not have a positive balance transferred during the delinquency.

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

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

1 amount that may be obligated by the ~~bureau~~ **UNEMPLOYMENT AGENCY**  
 2 during a fiscal year to an amount that does not exceed the amount  
 3 by which the aggregate of the amounts credited to the  
 4 nonchargeable benefits account under this subsection during the  
 5 fiscal year and the 24 preceding fiscal years, exceeds the  
 6 aggregate of the amounts obligated by the ~~bureau~~ **UNEMPLOYMENT**  
 7 **AGENCY** by appropriation under this subsection and charged against  
 8 the amounts thus credited to the nonchargeable benefits account  
 9 during any of the 25 fiscal years and any amounts credited to the  
 10 nonchargeable benefits account that have been used for the  
 11 payment of benefits.

12       Sec. 19. (a) The commission shall determine the contribution  
 13 rate of each contributing employer for each calendar year after  
 14 1977 as follows:

15       (1) (i) Except as provided in paragraph (ii), an employer's  
 16 rate shall be calculated as described in table A, **A-1, OR A-2**  
 17 with respect to wages paid by the employer in each calendar year  
 18 for employment. If an employer's coverage is terminated under  
 19 section 24, or at the conclusion of ~~8-12~~ or more consecutive  
 20 calendar quarters during which the employer has not had workers  
 21 in covered employment, and if the employer **AGAIN** becomes liable  
 22 for contributions, the employer shall be considered as newly  
 23 liable for contributions for the purposes of ~~table A or table B~~  
 24 ~~of~~ **THE TABLES IN** this subsection. **AN EMPLOYER THAT BECOMES LIABLE**  
 25 **UNDER SECTION 41(2) WILL NOT BE ASSIGNED THE NEW EMPLOYER RATE**  
 26 **BUT INSTEAD THE EMPLOYER'S MOST RECENT PRIOR RATE AS A**  
 27 **PREDECESSOR EMPLOYER WILL BE ASSIGNED TO ITS NEW ACCOUNT.**

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

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

Table A	
Year of Contribution Liability	Contribution Rate
1	2.7%
2	2.7%
3	1/3 (chargeable benefits component) + 1.8%

1	4	2/3 (chargeable benefits
2		component) + 1.0%
3	5 and over	(chargeable benefits component) +
4		(account building component) +
5		(nonchargeable benefits component)

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Table B

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8		
9	Year of Contribution	Contribution Rate
10	Liability	
11		
12	1	average construction contractor
13		rate as determined by the
14		commission
15	2	average construction contractor
16		rate as determined by the
17		commission
18	3	1/3 (chargeable benefits component)
19		+ 2/3 average construction con-
20		tractor rate as determined by the
21		commission
22	4	2/3 (chargeable benefits component)
23		+ 1/3 average construction con-
24		tractor rate as determined by the
25		commission
26	5 and over	(chargeable benefits component) +
27		(account building component) +
28		(nonchargeable benefits component)

29           **FOR AN EMPLOYER THAT BECOMES A CONTRIBUTING EMPLOYER ON OR**  
30 **AFTER JANUARY 1, 2012 AND BEFORE JANUARY 1, 2013, THE FOLLOWING**  
31 **TABLES APPLY:**

TABLE A-1	
YEAR OF CONTRIBUTION LIABILITY	CONTRIBUTION RATE
1	2.7%
2	2.7% + 1/3 (CHARGEABLE BENEFITS COMPONENT)
3	2.7% + 2/3 (CHARGEABLE BENEFITS COMPONENT)
4 AND OVER	(CHARGEABLE BENEFITS COMPONENT) + (ACCOUNT BUILDING COMPONENT) + (NONCHARGEABLE BENEFITS COMPONENT)

TABLE B-1	
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 + 1/3 (CHARGEABLE BENEFITS COMPONENT)
3	AVERAGE CONSTRUCTION CONTRACTOR RATE AS DETERMINED BY THE 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 BENEFITS COMPONENT)
3 AND OVER	(CHARGEABLE BENEFITS COMPONENT) + (ACCOUNT BUILDING COMPONENT) +

**(NONCHARGEABLE BENEFITS COMPONENT)**

1

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

9           (3) (i) The chargeable benefits component of an employer's  
10 contribution rate is the percentage determined by dividing: the  
11 total amount of benefits charged to the employer's experience  
12 account within the lesser of 60 consecutive months ending on the  
13 computation date or the number of consecutive months ending on  
14 the computation date with respect to which the employer has been  
15 continuously liable for contributions; by the amount of wages,  
16 subject to contributions, paid by the employer within the same  
17 period. If the resulting quotient is not an exact multiple of  
18 1/10 of 1%, it shall be increased to the next higher multiple of  
19 1/10 of 1%.

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

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

1 1%.

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

1 aggregate of all contributing employers' annual payrolls, for the  
2 12 months ending March 31, as defined in section 18(f), times the  
3 cost criterion; selected for the computation date under section  
4 18(e). If the account building component determined under this  
5 subdivision is not an exact multiple of 1/10 of 1%, it shall be  
6 adjusted to the next higher multiple of 1/10 of 1%.

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

1 employer's chargeable benefits component is less than 2/10 of 1%,  
2 the maximum nonchargeable benefit component shall not exceed 1/2  
3 of 1%. For calendar years after 1995, if there are no benefit  
4 charges against an employer's account for the 72 months ending as  
5 of the computation date, the maximum nonchargeable benefits  
6 component shall not exceed 4/10 of 1%. For calendar years after  
7 1996, if there are no benefit charges against an employer's  
8 account for the 84 months ending as of the computation date, the  
9 maximum nonchargeable benefits component shall not exceed 3/10 of  
10 1%. For calendar years after 1997, if there are no benefit  
11 charges against an employer's account for the 96 months ending as  
12 of the computation date, the maximum nonchargeable benefits  
13 component shall not exceed 2/10 of 1%. For calendar years after  
14 1998, if there are no benefit charges against an employer's  
15 account for the 108 months ending as of the computation date, the  
16 maximum nonchargeable benefits component shall not exceed 1/10 of  
17 1%. For calendar years after 2002, the maximum nonchargeable  
18 benefits component shall not exceed 1/10 of 1% if there are no  
19 benefit charges against an employer's account for the 60 months  
20 ending as of the computation date; 9/100 of 1% if there are no  
21 benefit charges against an employer's account for the 72 months  
22 ending as of the computation date; 8/100 of 1% if there are no  
23 benefit charges against an employer's account for the 84 months  
24 ending as of the computation date; 7/100 of 1% if there are no  
25 benefit charges against an employer's account for the 96 months  
26 ending as of the computation date; or 6/100 of 1% if there are no  
27 benefit charges against an employer's account for the 108 months

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

24 (6) The total of the chargeable benefits and account  
25 building components of an employer's contribution rate shall not  
26 exceed by more than 1% in the 1983 calendar year, 1.5% in the  
27 calendar year 1984, or 2% in the 1985 calendar year the higher of

1 4% or the total of the chargeable benefits and the account  
2 building components that applied to the employer during the  
3 preceding calendar year. For calendar years after 1985, the total  
4 of the chargeable benefits and account building components of the  
5 employer's contribution rate shall be computed without regard to  
6 the foregoing limitation provided in this subdivision. During a  
7 year in which this subdivision limits an employer's contribution  
8 rate, the resulting reduction shall be considered to be entirely  
9 in the experience component of the employer's contribution rate,  
10 as defined in section 18(d).

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

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

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

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

~~1 The contribution rate reduction described in this section  
2 applies to employers who have been liable for the payment of  
3 contributions in accordance with this act for more than 4  
4 consecutive years, if the balance of money in the unemployment  
5 compensation fund established under section 26, excluding money  
6 borrowed from the federal unemployment trust fund, is equal to or  
7 greater than 1.2% of the aggregate amount of all contributing  
8 employers' payrolls for the 12-month period ending on the  
9 computation date. If the employer's contribution rate is reduced  
10 by a 1/10 of 1% deduction in accordance with this subdivision,  
11 the employer's contributions shall be credited to each of the  
12 components of the contribution rate on a pro rata basis. As used  
13 in this subdivision:~~

~~14 (i) "Federal unemployment trust fund" means the fund created  
15 under section 904 of title IX of the social security act, 42 USC  
16 1104.~~

~~17 (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

1 following court confirmation of the plan of arrangement or  
2 reorganization, but not earlier than the calendar year beginning  
3 January 1, 1983, if the employer meets each of the following  
4 requirements:

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

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

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

26 (4) The employer, within 180 days after notifying the  
27 commission of its intention to elect the status of a reorganized

1 employer, makes a cash payment to the commission, for the  
 2 unemployment compensation fund, equal to: .20 times the first  
 3 \$2,000,000.00 of the employer's negative balance, .35 times the  
 4 amount of the employer's negative balance above \$2,000,000.00 and  
 5 up to \$5,000,000.00, and .50 times the amount of the negative  
 6 balance above \$5,000,000.00. The total amount determined by the  
 7 commission shall be based on the employer's negative balance  
 8 existing as of the end of the calendar month immediately  
 9 preceding the calendar year in which the employer will begin its  
 10 status as a reorganized employer. If the employer fails to pay  
 11 the amount determined, within 180 days of electing status as a  
 12 reorganized employer, the commission shall reinstate the  
 13 employer's negative balance previously reduced and redetermine  
 14 the employer's rate on the basis of the reinstated negative  
 15 balance. The redetermined rate shall then be used to redetermine  
 16 the employer's quarterly contributions for that calendar year.  
 17 The redetermined contributions shall be subject to the interest  
 18 provisions of section 15 as of the date the redetermined  
 19 quarterly contributions were originally due.

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

24	_____	
25	Year of Contribution	Contribution Rate
26	Liability	
27	_____	
28	1	2.7% of total taxable wages paid

1	2	2.7%
2	3	2.7%
3	4 and over	(chargeable benefits component
4		based upon 3-year experience) plus
5		(account building component based
6		upon 3-year experience) plus
7		(nonchargeable benefits component)

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

18	<hr/>	
19	Year of Contribution	Contribution Rate
20	Liability	
21	<hr/>	
22	1	average construction contractor
23		rate as determined by the
24		commission
25	2	average construction contractor
26		rate as determined by the
27		commission
28	3	1/3 (chargeable benefits component)
29		+ 2/3 average construction con-

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

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

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

1 this subsection, "distressed employer" means an employer whose  
2 continued presence in this state is considered essential to the  
3 state's economic well-being and who meets the following criteria:

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

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

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

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

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

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

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

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

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

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

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

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

26 ~~—— (d) For the 1986 calendar year, the solvency tax rate shall~~  
27 ~~be calculated in the manner provided in this subdivision. By~~

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

1 ~~December 31, 1986, and to repay amounts advanced from the state~~  
2 ~~treasury during the 1985 calendar year and any interest thereon,~~  
3 ~~but shall not exceed the lesser of 1/4 of the percentage~~  
4 ~~calculated or 2%.~~

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

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

13 ~~(A) (ii)~~ If there is a balance on December 31, ~~1986, 2011~~, of  
14 unrepaid interest bearing federal advances, the solvency tax rate  
15 for the ~~1987-2012~~ calendar year and for each calendar year  
16 thereafter shall be calculated in the manner provided in this  
17 ~~subparagraph~~ **SUBDIVISION** until the balance of the interest  
18 bearing federal advances on December 31, ~~1986-2011~~ has been  
19 reduced to zero. By February 1 of the calendar year, the  
20 commission shall calculate the sum of ~~(a)~~ the estimated interest  
21 due during the calendar on federal loans, without regard to any  
22 interest deferral ~~which may be~~ **THAT IS** permitted under section  
23 1202 of the social security act, 42 USC 1322, ~~(b) the estimated~~  
24 ~~amount of funds required for the unemployment insurance~~  
25 ~~automation project,~~ ~~(c)~~ the remaining balance on December 31 of  
26 the preceding year of the December 31, ~~1986-2011~~ balance of  
27 unrepaid interest bearing federal advances, and ~~(d)~~ any amounts

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

27 (B) For any calendar year after the first calendar year that

1 the remaining balance of the December 31, ~~1986~~ 2011 balance of  
2 unrepaid interest bearing federal advances has been reduced to  
3 zero by December 31 of that year, an employer's solvency tax rate  
4 shall be calculated in the same manner as the account building  
5 component of the employer's contribution rate as determined under  
6 section 19(a)(4), but shall not exceed the lesser of 1/4 of the  
7 percentage calculated or 2%.

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

23 (3) Solvency taxes shall become due and payable in the  
24 manner, and at the times, specified for contributions in rules  
25 promulgated by the commission. However, if the state is permitted  
26 to defer interest payments due during a calendar year under  
27 section 1202(b)(3) or (8) of the social security act, 42 USC

1 1322, payment of the solvency tax may likewise be deferred by an  
2 employer and paid in installments in a manner prescribed by the  
3 commission. If a deferral of interest payment is subsequently  
4 disallowed by the United States department of labor, either  
5 prospectively or retroactively, amounts of solvency taxes  
6 deferred under this section shall become immediately due and  
7 payable. Further, if the commission estimates that the solvency  
8 taxes to be collected by September 30 of the calendar year will  
9 be insufficient to meet the interest obligations due during that  
10 calendar year, the percentages of amounts of solvency taxes  
11 deferred in any year shall be reduced by the commission in an  
12 amount sufficient to meet the interest obligations due in that  
13 calendar year. Furthermore, if the amount of solvency taxes to be  
14 collected by the time the federal interest obligations are due in  
15 any year are insufficient to meet the obligations when due, the  
16 commission shall recommend to the legislature that it appropriate  
17 an amount sufficient to meet the interest obligations due. Any  
18 amount so appropriated and used to pay federal interest  
19 obligations, and interest due on such state appropriation, if  
20 any, shall be repaid to the state as soon as possible from the  
21 solvency tax revenues in the contingent fund.

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

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

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

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

1 against an employer for that calendar year and any solvency tax  
2 already assessed and collected against an employer before the  
3 forgiveness or postponement of the interest for that calendar  
4 year shall be credited to the employer's experience account.

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

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

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

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

1 liable employer, the first 2 weeks of benefits payable to the  
2 claimant shall be charged proportionally to all base period  
3 employers, with the charge to each base period employer made on  
4 the basis of the ratio that total wages paid by the employer in  
5 the base period bears to total wages paid by all employers in the  
6 base period. The "separating employer" is the employer that  
7 caused the individual to be unemployed as defined in section 48.

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

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

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

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

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

22 (2) The charge for benefits based on multiemployer credit  
23 weeks shall be allocated to each employer involved on the basis  
24 of the ratio that the total wages earned during the total  
25 multiemployer credit weeks counted under section 50(b) with the  
26 employer bears to the total amount of wages earned during the  
27 total multiemployer credit weeks counted under section 50(b) with

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

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

1 appeal rights shall only apply to the first notice given.

2 (f) For benefit years beginning on or after October 1, 2000  
3 ~~, if benefits for a week of unemployment are charged to 2 or more~~  
4 ~~base period employers, the share of the benefits allocated and~~  
5 ~~charged under this section to a contributing employer shall be~~  
6 ~~charged to the nonchargeable benefits account if the claimant~~  
7 ~~during that week earns remuneration with that employer that~~  
8 ~~equals or exceeds the amount of benefits charged to that~~  
9 ~~employer.~~ AND BEFORE JANUARY 1, 2014, IF A BASE PERIOD  
10 CONTRIBUTING EMPLOYER NOTIFIES THE UNEMPLOYMENT AGENCY THAT IT  
11 PAID GROSS WAGES TO A CLAIMANT IN A WEEK AT LEAST EQUAL TO THE  
12 EMPLOYER'S BENEFIT CHARGE FOR THAT CLAIMANT FOR THE WEEK, THEN  
13 THE UNEMPLOYMENT AGENCY SHALL ISSUE A MONETARY REDETERMINATION  
14 NONCHARGING THE ACCOUNT OF THE EMPLOYER FOR THAT WEEK AND FOR THE  
15 REMAINING WEEKS OF THE BENEFIT YEAR FOR BENEFITS PAYABLE TO THE  
16 CLAIMANT THAT WOULD OTHERWISE BE CHARGED TO THE EMPLOYER'S  
17 ACCOUNT. FOR BENEFIT YEARS BEGINNING ON OR AFTER JANUARY 1, 2014,  
18 BENEFITS PAYABLE TO AN INDIVIDUAL FOR A WEEK AND FOR EACH  
19 REMAINING PAYABLE WEEK IN THE BENEFIT YEAR SHALL BE CHARGED TO  
20 THE NONCHARGEABLE BENEFITS ACCOUNT IF EITHER OF THE FOLLOWING  
21 OCCURS:

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

25 (2) A CONTRIBUTING BASE PERIOD EMPLOYER TIMELY PROTESTS A  
26 DETERMINATION CHARGING BENEFITS TO ITS ACCOUNT FOR A WEEK IN  
27 WHICH THE EMPLOYER PAID GROSS WAGES TO AN INDIVIDUAL AT LEAST

1 EQUAL TO THE EMPLOYER'S CHARGES FOR BENEFITS PAID TO THAT  
2 INDIVIDUAL FOR THAT WEEK.

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

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

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

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

1 training benefits or extended benefits are chargeable to more  
2 than 1 reimbursing employer, or to 1 or more reimbursing  
3 employers and the nonchargeable benefits account, the benefits  
4 shall be charged as of the quarter in which the payments are  
5 made.

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

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

26 (1) Training benefits as provided in section 27(g), and  
27 extended benefits as provided in section 64, shall be charged to

1 each reimbursing employer in the base period of the claim to  
2 which the benefits are related, on the basis of the ratio that  
3 the total wages paid by a reimbursing employer during the base  
4 period bears to the total wages paid by all reimbursing employers  
5 in the base period.

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

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

26 (4) Notice of charges made under this subsection shall be  
27 given to each employer by means of a current listing of charges,

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

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

25 (j) For benefits years beginning after March 30, 2009,  
26 benefits paid to a person who leaves employment to accompany a  
27 spouse who is a full-time member of the United States armed

1 forces and is reassigned for military service in a different  
2 geographic location are not chargeable to the employer, but shall  
3 be charged to the nonchargeable benefits account.

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

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

24       The commission shall notify each employer, not later than 6  
25 months after the computation date, of his rate of contributions  
26 as determined for any calendar year pursuant to section 19. The  
27 statement or determination shall be final unless further

1 proceedings are taken in accordance with section 32a. However, on  
2 request an employer shall be given an extension of 30 days'  
3 additional time in which to apply for the review and  
4 redetermination.

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

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

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

1 new issue holding the individual disqualified or ineligible is  
2 made, or, for benefit years beginning before October 1, 2000, a  
3 new separation issue arises resulting from subsequent work.

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

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

1 beginning on or after October 2, 1983, the weekly benefit rate  
2 shall be adjusted to the next lower multiple of \$1.00.

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

27 (3) For benefit years beginning before October 1, 2000, a

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

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

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

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

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

1 is less than 22 years of age.

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

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

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

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

23 (d) A brother or sister of the individual if the brother or  
24 sister is orphaned or the living parents are dependent parents of  
25 an individual, and the brother or sister is under 18 years of  
26 age, or 18 years of age and over if, because of physical or  
27 mental infirmity, the brother or sister is unable to engage in a

1 gainful occupation, or is a full-time student as defined by the  
2 particular educational institution, at a high school, vocational  
3 school, community or junior college, or college or university and  
4 is less than 22 years of age.

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

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

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

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

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

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

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

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

1 individual's weekly benefit amount, benefits shall be reduced by  
2 \$1.00.

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

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

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

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

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

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

22 (a) If and to the extent that unemployment benefits payable  
23 under this act would be chargeable to an employer who has  
24 contributed to the financing of a retirement plan under which the  
25 claimant is receiving or will receive a retirement benefit  
26 yielding a pro rata weekly amount equal to or larger than the  
27 claimant's weekly benefit rate as otherwise established under

1 this act, the claimant shall not receive unemployment benefits  
2 that would be chargeable to the employer under this act.

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

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

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

1           (2) If an individual's weekly benefit rate under this act  
2 was established before the period for which the individual first  
3 receives a retirement benefit, any benefits received after a  
4 retirement benefit becomes payable shall be determined in  
5 accordance with the formula stated in this subsection.

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

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

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

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

1 business of the employer involved are not retirement benefits.

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

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

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

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

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

25 (6) For benefit years beginning on or after October 1, 2000,  
26 notwithstanding any inconsistent provisions of this act, the  
27 weekly benefit rate of each individual who is receiving or will

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

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

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

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

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

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

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

1 contested case, whichever is later.

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

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

26 (2) With respect to service performed in other than an  
27 instructional, research, or principal administrative capacity for

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

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

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

1 timely claim for benefits. An individual entitled to benefits  
2 under this subdivision may apply for those benefits by mail in  
3 accordance with R 421.210 of the Michigan administrative code as  
4 promulgated by the commission.

5 (5) Benefits based upon services in other than an  
6 instructional, research, or principal administrative capacity for  
7 an institution of higher education shall not be denied for any  
8 week of unemployment commencing during the period between 2  
9 successive academic years or terms solely because the individual  
10 had performed the service in the first of the academic years or  
11 terms and there is reasonable assurance that the individual will  
12 perform the service for an institution of higher education or an  
13 educational institution other than an institution of higher  
14 education in the second of the academic years or terms, unless a  
15 denial is required as a condition for full tax credit against the  
16 tax imposed by the federal unemployment tax act, 26 USC 3301 to  
17 3311.

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

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

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

1 each of the base period employers including the educational  
2 institution.

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

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

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

27 (k) (1) Benefits are not payable on the basis of services

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

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

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

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

27 (2) Notwithstanding section 30, the commission shall deduct

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

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

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

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

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

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

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

26 (6) Provisions concerning deductions under this subsection  
27 apply only if the state or local child support enforcement agency

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

8 (7) As used in this subsection:

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

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

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

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

27 (o)(1) For weeks of unemployment beginning after July 1,

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

21 (2) Not less than 20 days before the estimated beginning  
22 date of a normal seasonal work period, an employer may apply to  
23 the commission in writing for designation as a seasonal employer.  
24 At the time of application, the employer shall conspicuously  
25 display a copy of the application on the employer's premises.  
26 Within 90 days after receipt of the application, the commission  
27 shall determine if the employer is a seasonal employer. A

1 determination or redetermination of the commission concerning the  
2 status of an employer as a seasonal employer, or a decision of a  
3 referee or the board of review, or of the courts of this state  
4 concerning the status of an employer as a seasonal employer,  
5 which has become final, together with the record thereof, may be  
6 introduced in any proceeding involving a claim for benefits, and  
7 the facts found and decision issued in the determination,  
8 redetermination, or decision shall be conclusive unless  
9 substantial evidence to the contrary is introduced by or on  
10 behalf of the claimant.

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

21 (4) The commission may issue a determination terminating an  
22 employer's status as a seasonal employer on the commission's own  
23 motion for good cause, or upon the written request of the  
24 employer. A termination determination under this subdivision  
25 terminates an employer's status as a seasonal employer, and  
26 becomes effective on the beginning date of the normal seasonal  
27 work period that would have immediately followed the date the

1 commission issues the determination. A determination under this  
2 subdivision is subject to review in the same manner and to the  
3 same extent as any other determination under this act.

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

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

16 (7) A successor of a seasonal employer is considered to be a  
17 seasonal employer unless the successor provides the commission,  
18 within 120 days after the transfer, with a written request for  
19 termination of its status as a seasonal employer in accordance  
20 with subdivision (4).

21 (8) At the time an employee is hired by a seasonal employer,  
22 the employer shall notify the employee in writing if the employee  
23 will be a seasonal worker. The employer shall provide the worker  
24 with written notice of any subsequent change in the employee's  
25 status as a seasonal worker. If an employee of a seasonal  
26 employer is denied benefits because that employee is a seasonal  
27 worker, the employee may contest that designation in accordance

1 with section 32a.

2 (9) As used in this subsection:

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

7 (b) "Normal seasonal work period" means that period or those  
8 periods of time determined under rules promulgated by the  
9 commission during which an individual is employed in seasonal  
10 employment.

11 (c) "Seasonal employment" means the employment of 1 or more  
12 individuals primarily hired to perform services ~~in an industry,~~  
13 ~~other than the construction industry, that does either of the~~  
14 ~~following:~~

15 ~~—— (1) Customarily operates during regularly recurring periods~~  
16 ~~of 26 weeks or less in any 52 consecutive week 52-WEEK period,~~  
17 **OTHER THAN SERVICES IN THE CONSTRUCTION INDUSTRY.**

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

21 (d) "Seasonal employer" means an employer, other than an  
22 employer in the construction industry, who applies to the  
23 commission for designation as a seasonal employer and who the  
24 commission determines ~~to be~~ **IS** an employer whose operations and  
25 business are ~~substantially~~ **REQUIRE EMPLOYEES** engaged in seasonal  
26 employment. **A SEASONAL EMPLOYER DESIGNATION UNDER THIS ACT NEED**  
27 **NOT CORRESPOND TO A CATEGORY ASSIGNED UNDER THE NORTH AMERICAN**

1 **CLASSIFICATION SYSTEM – UNITED STATES OFFICE OF MANAGEMENT AND**  
2 **BUDGET.**

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

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

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

22 Sec. 28. (1) An unemployed individual ~~shall be~~ **IS** eligible  
23 to receive benefits with respect to any week only if the  
24 ~~commission~~ **UNEMPLOYMENT AGENCY** finds that ~~that~~ **ALL OF THE FOLLOWING:**

25 (a) For benefit years established before ~~the conversion date~~  
26 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, the individual has  
27 registered for work at and thereafter has continued to report at

1 an employment office in accordance with ~~such rules as the~~  
2 ~~commission may prescribe~~ **UNEMPLOYMENT AGENCY RULES** and is seeking  
3 work. The requirements that the individual must report at an  
4 employment office, must register for work, must be available to  
5 perform suitable full-time work, and must seek work may be waived  
6 by the ~~commission~~ **UNEMPLOYMENT AGENCY** if the individual is laid  
7 off and the employer who laid the individual off notifies the  
8 ~~commission~~ **UNEMPLOYMENT AGENCY** in writing or by computerized data  
9 exchange that the layoff is temporary and that work is expected  
10 to be available for the individual within a declared number of  
11 days, not to exceed 45 calendar days following the last day the  
12 individual worked. This waiver shall not be effective unless the  
13 notification from the employer has been received by the  
14 ~~commission~~ **UNEMPLOYMENT AGENCY** before the individual has  
15 completed his or her first compensable week following layoff. If  
16 the individual is not recalled within the specified period, the  
17 waiver shall cease to be operative with respect to that layoff.  
18 Except for a period of disqualification, the requirement that the  
19 individual shall seek work may be waived by the ~~commission~~  
20 **UNEMPLOYMENT AGENCY** where it finds that suitable work is  
21 unavailable both in the locality where the individual resides and  
22 in those localities in which the individual has earned base  
23 period credit weeks. This waiver shall not apply, for weeks of  
24 unemployment beginning on or after March 1, 1981, to a claimant  
25 enrolled and attending classes as a full-time student. An  
26 individual ~~shall have~~ **HAS** satisfied the requirement of personal  
27 reporting at an employment office, as applied to a week in a

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

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

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

19 (c) The individual is able and available **TO APPEAR AT A**  
20 **LOCATION OF THE UNEMPLOYMENT AGENCY'S CHOOSING FOR EVALUATION OF**  
21 **ELIGIBILITY FOR BENEFITS, IF REQUIRED, AND** to perform suitable  
22 full-time work of a character which the individual is qualified  
23 to perform by past experience or training, which is of a  
24 character generally similar to work for which the individual has  
25 previously received wages, and for which the individual is  
26 available, full time, either at a locality at which the  
27 individual earned wages for insured work during his or her base

1 period or at a locality where it is found by the ~~commission~~  
2 UNEMPLOYMENT AGENCY that such work is available. AN INDIVIDUAL IS  
3 CONSIDERED UNAVAILABLE FOR WORK UNDER ANY OF THE FOLLOWING  
4 CIRCUMSTANCES:

5 (i) THE INDIVIDUAL FAILS DURING A BENEFIT YEAR TO NOTIFY OR  
6 UPDATE A CHARGEABLE EMPLOYER WITH TELEPHONE, ELECTRONIC MAIL, OR  
7 OTHER INFORMATION SUFFICIENT TO ALLOW THE EMPLOYER TO CONTACT THE  
8 INDIVIDUAL ABOUT AVAILABLE WORK.

9 (ii) THE INDIVIDUAL FAILS TO RESPOND TO THE UNEMPLOYMENT  
10 AGENCY WITHIN 14 CALENDAR DAYS OF THE LATER OF THE MAILING OF A  
11 NOTICE TO THE ADDRESS OF RECORD REQUIRING THE INDIVIDUAL TO  
12 CONTACT THE UNEMPLOYMENT AGENCY OR OF THE LEAVING OF A TELEPHONE  
13 MESSAGE REQUESTING A RETURN CALL AND PROVIDING A RETURN NAME AND  
14 TELEPHONE NUMBER ON AN AUTOMATED ANSWERING DEVICE OR WITH AN  
15 INDIVIDUAL ANSWERING THE TELEPHONE NUMBER OF RECORD.

16 (iii) MAIL SENT TO THE INDIVIDUAL'S ADDRESS OF RECORD IS  
17 RETURNED AS UNDELIVERABLE AND THE TELEPHONE NUMBER OF RECORD HAS  
18 BEEN DISCONNECTED OR CHANGED OR IS OTHERWISE NO LONGER ASSOCIATED  
19 WITH THE INDIVIDUAL.

20 (d) In the event of the death of an individual's immediate  
21 family member, the eligibility requirements of availability and  
22 reporting shall be waived for the day of the death and for 4  
23 consecutive calendar days thereafter. As used in this  
24 subdivision, "immediate family member" means a spouse, child,  
25 stepchild, adopted child, grandchild, parent, grandparent,  
26 brother, or sister of the individual or his or her spouse. It  
27 shall also include the spouse of any of the persons specified in

1 the previous sentence.

2 (e) The individual participates in reemployment services,  
3 such as job search assistance services, if the individual has  
4 been determined or redetermined by the ~~commission~~-**UNEMPLOYMENT**  
5 **AGENCY** to be likely to exhaust regular benefits and need  
6 reemployment services pursuant to a profiling system established  
7 by the ~~commission~~-**UNEMPLOYMENT AGENCY**.

8 (2) The ~~commission~~-**UNEMPLOYMENT AGENCY** may authorize an  
9 individual with an unexpired benefit year to pursue vocational  
10 training or retraining only if the ~~commission~~-**UNEMPLOYMENT AGENCY**  
11 finds that:

12 (a) Reasonable opportunities for employment in occupations  
13 for which the individual is fitted by training and experience do  
14 not exist in the locality in which the individual is claiming  
15 benefits.

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

19 (c) The training course has been approved by a local  
20 advisory council on which both management and labor are  
21 represented, or if there is no local advisory council, by the  
22 ~~commission~~-**UNEMPLOYMENT AGENCY**.

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

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

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

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

21           (5) Notwithstanding any other provisions of this act, an  
22 otherwise eligible individual shall not be denied benefits for  
23 any week beginning after October 30, 1982 solely because the  
24 individual is in training approved under section 236(a)(1) of the  
25 trade act of 1974, as amended, 19 ~~U.S.C.~~**USC** 2296, nor shall the  
26 individual be denied benefits by reason of leaving work to enter  
27 such training if the work left is not suitable employment.

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

13           (6) FOR PURPOSES OF THIS SECTION, FOR BENEFIT YEARS  
14 BEGINNING ON OR AFTER JANUARY 1, 2013, TO BE ACTIVELY ENGAGED IN  
15 SEEKING WORK, AN INDIVIDUAL MUST CONDUCT A SYSTEMATIC AND  
16 SUSTAINED SEARCH FOR WORK IN EACH WEEK THE INDIVIDUAL IS CLAIMING  
17 BENEFITS, USING ANY OF THE FOLLOWING METHODS TO REPORT THE  
18 DETAILS OF THE WORK SEARCH:

19           (A) REPORTING AT MONTHLY INTERVALS ON THE UNEMPLOYMENT  
20 AGENCY'S ONLINE REPORTING SYSTEM THE NAME OF EACH EMPLOYER AND  
21 PHYSICAL OR ONLINE LOCATION OF EACH EMPLOYER WHERE WORK WAS  
22 SOUGHT AND THE DATE AND METHOD BY WHICH WORK WAS SOUGHT WITH EACH  
23 EMPLOYER.

24           (B) FILING A WRITTEN REPORT WITH THE UNEMPLOYMENT AGENCY BY  
25 MAIL OR FACSIMILE TRANSMISSION NOT LATER THAN THE END OF THE  
26 FOURTH CALENDAR WEEK AFTER THE END OF THE WEEK IN WHICH THE  
27 INDIVIDUAL ENGAGED IN THE WORK SEARCH, ON A FORM APPROVED BY THE

1 UNEMPLOYMENT AGENCY, INDICATING THE NAME OF EACH EMPLOYER AND  
2 PHYSICAL OR ONLINE LOCATION OF EACH EMPLOYER WHERE WORK WAS  
3 SOUGHT AND THE DATE AND METHOD BY WHICH WORK WAS SOUGHT WITH EACH  
4 EMPLOYER.

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

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

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

14 (a) Left work voluntarily without good cause attributable to  
15 the employer or employing unit. An individual who left work is  
16 presumed to have left work voluntarily without good cause  
17 attributable to the employer or employing unit. **AN INDIVIDUAL WHO**  
18 **IS ABSENT FROM WORK FOR A PERIOD OF 3 CONSECUTIVE WORK DAYS OR**  
19 **MORE WITHOUT CONTACTING THE EMPLOYER IN A MANNER ACCEPTABLE TO**  
20 **THE EMPLOYER AND OF WHICH THE INDIVIDUAL WAS INFORMED AT THE TIME**  
21 **OF HIRE SHALL BE CONSIDERED TO HAVE VOLUNTARILY LEFT WORK WITHOUT**  
22 **GOOD CAUSE ATTRIBUTABLE TO THE EMPLOYER. AN INDIVIDUAL WHO**  
23 **BECOMES UNEMPLOYED AS A RESULT OF NEGLIGENTLY LOSING A**  
24 **REQUIREMENT FOR THE JOB OF WHICH HE OR SHE WAS INFORMED AT THE**  
25 **TIME OF HIRE SHALL BE CONSIDERED TO HAVE VOLUNTARILY LEFT WORK**  
26 **WITHOUT GOOD CAUSE ATTRIBUTABLE TO THE EMPLOYER.** An individual  
27 claiming benefits under this act has the burden of proof to

1 establish that he or she left work involuntarily or for good  
2 cause that was attributable to the employer or employing unit. **AN**  
3 **INDIVIDUAL CLAIMING TO HAVE LEFT WORK INVOLUNTARILY MUST HAVE**  
4 **DONE ALL OF THE FOLLOWING BEFORE THE LEAVING: SECURED A STATEMENT**  
5 **FROM A MEDICAL PROFESSIONAL THAT CONTINUING IN THE INDIVIDUAL'S**  
6 **CURRENT JOB WOULD BE HARMFUL TO THE INDIVIDUAL'S PHYSICAL OR**  
7 **MENTAL HEALTH; UNSUCCESSFULLY ATTEMPTED TO SECURE ALTERNATIVE**  
8 **WORK WITH THE EMPLOYER; AND UNSUCCESSFULLY ATTEMPTED TO BE PLACED**  
9 **ON A LEAVE OF ABSENCE WITH THE EMPLOYER TO LAST UNTIL THE**  
10 **INDIVIDUAL'S MENTAL OR PHYSICAL HEALTH WOULD NO LONGER BE HARMED**  
11 **BY THE CURRENT JOB.** However, if ~~either~~**ANY** of the following  
12 conditions is met, the leaving does not disqualify the  
13 individual:

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

17 (ii) The individual is the spouse of a full-time member of  
18 the United States armed forces, and the leaving is due to the  
19 military duty reassignment of that member of the United States  
20 armed forces to a different geographic location. **BENEFITS PAID IN**  
21 **ACCORDANCE WITH THIS SUBDIVISION SHALL NOT BE CHARGED TO THE**  
22 **ACCOUNT OF THE EMPLOYER THE INDIVIDUAL LEFT, BUT SHALL BE CHARGED**  
23 **INSTEAD TO THE NONCHARGEABLE BENEFIT ACCOUNT.**

24 (iii) **THE INDIVIDUAL IS CONCURRENTLY WORKING PART-TIME FOR AN**  
25 **EMPLOYER OR EMPLOYING UNIT AND FULL-TIME FOR ANOTHER EMPLOYER OR**  
26 **EMPLOYING UNIT AND VOLUNTARILY LEAVES THE PART-TIME WORK TO**  
27 **CONTINUE THE FULL-TIME WORK. BENEFITS PAID IN ACCORDANCE WITH**

1 THIS SUBDIVISION SHALL NOT BE CHARGED TO THE ACCOUNT OF THE  
2 EMPLOYER THE INDIVIDUAL LEFT, BUT SHALL BE CHARGED INSTEAD TO THE  
3 NONCHARGEABLE BENEFIT ACCOUNT.

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

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

12 (d) Failed without good cause while unemployed to report to  
13 the individual's former employer or employing unit within a  
14 reasonable time after that employer or employing unit provided  
15 notice of the availability of an interview concerning available  
16 suitable work with the former employer or employing unit.

17 (e) Failed without good cause to accept suitable work  
18 offered to the individual or to return to the individual's  
19 customary self-employment, if any, when directed by the  
20 employment office or the ~~commission~~ **UNEMPLOYMENT AGENCY**. An  
21 employer that receives a monetary determination under section 32  
22 may notify the unemployment agency regarding the availability of  
23 suitable work with the employer on the monetary determination or  
24 other form provided by the unemployment agency. Upon receipt of  
25 the notice of the availability of suitable work, the unemployment  
26 agency shall notify the claimant of the availability of suitable  
27 work.

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

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

12 (i) A strike or other concerted action in violation of an  
13 applicable collective bargaining agreement that results in  
14 curtailment of work or restriction of or interference with  
15 production.

16 (ii) A wildcat strike or other concerted action not  
17 authorized by the individual's recognized bargaining  
18 representative.

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

21 (i) Was discharged for theft connected with the individual's  
22 work.

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

25 (k) Committed a theft after receiving notice of a layoff or  
26 discharge, but before the effective date of the layoff or  
27 discharge, resulting in loss or damage to the employer who would

1 otherwise be chargeable for the benefits, regardless of whether  
2 the individual qualified for the benefits before the theft.

3 (l) Was employed by a temporary help firm, which as used in  
4 this section means an employer whose primary business is to  
5 provide a client with the temporary services of 1 or more  
6 individuals under contract with the employer, to perform services  
7 for a client of that firm if each of the following conditions is  
8 met:

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

12 (A) That within 7 days after completing services for a  
13 client of the temporary help firm, the employee is under a duty  
14 to notify the temporary help firm of the completion of those  
15 services.

16 (B) That a failure to provide the temporary help firm with  
17 notice of the employee's completion of services pursuant to sub-  
18 subparagraph (A) constitutes a voluntary quit that will affect  
19 the employee's eligibility for unemployment compensation should  
20 the employee seek unemployment compensation following completion  
21 of those services.

22 (ii) The employee did not provide the temporary help firm  
23 with notice that the employee had completed his or her services  
24 for the client within 7 days after completion of his or her  
25 services for the client.

26 (m) Was discharged for illegally ingesting, injecting,  
27 inhaling, or possessing a controlled substance on the premises of

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

18 (i) "Controlled substance" means that term as defined in  
19 section 7104 of the public health code, 1978 PA 368, MCL  
20 333.7104.

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

23 (iii) "Nondiscriminatory manner" means administered  
24 impartially and objectively in accordance with a collective  
25 bargaining agreement, rule, policy, a verbal or written notice,  
26 or a labor-management contract.

27 **(N) THEFT FROM THE EMPLOYER THAT RESULTED IN THE EMPLOYEE'S**

1 **CONVICTION, WITHIN 2 YEARS OF THE DATE OF THE DISCHARGE, OF THEFT**  
2 **OR A LESSER INCLUDED OFFENSE.**

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

11 (3) After the week in which the disqualifying act or  
12 discharge described in subsection (1) occurs, an individual who  
13 seeks to requalify for benefits is subject to all of the  
14 following:

15 (a) For benefit years established before October 1, 2000,  
16 the individual shall complete 6 requalifying weeks if he or she  
17 was disqualified under subsection (1)(c), (d), (e), (f), (g), or  
18 (l), or 13 requalifying weeks if he or she was disqualified under  
19 subsection (1)(h), (i), (j), (k), or (m). A requalifying week  
20 required under this subdivision is each week in which the  
21 individual does any of the following:

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

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

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

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

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

21           (d) For benefit years beginning on or after October 1, 2000,  
22 after the week in which the disqualifying act or discharge  
23 occurred, an individual shall complete 13 requalifying weeks if  
24 he or she was disqualified under subsection (1)(c), (d), (e),  
25 (f), (g), or (l), or 26 requalifying weeks if he or she was  
26 disqualified under subsection (1)(h), (i), (j), (k), ~~or~~(m), **OR**  
27 **(N)**. A requalifying week required under this subdivision is each

1 week in which the individual does any of the following:

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

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

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

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

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

18           (f) For benefit years beginning on or after April 26, 2002,  
19 if the individual is disqualified under subsection (1)(a), he or  
20 she shall requalify, after the week in which the disqualifying  
21 act or discharge occurred by earning in employment for an  
22 employer liable under this act or the unemployment compensation  
23 law of another state at least 12 times the individual's weekly  
24 benefit rate.

25           (g) For benefit years beginning on or after April 26, 2002,  
26 if the individual is disqualified under subsection (1)(b), 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 17 times the individual's weekly  
4 benefit rate.

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

26 (4) The maximum amount of benefits otherwise available under  
27 section 27(d) to an individual disqualified under subsection (1)

1 is subject to all of the following conditions:

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

10 (i) The number of requalifying weeks required of the  
11 individual under this section.

12 (ii) The number of weeks of benefit entitlement remaining  
13 with that employer.

14 (b) If the individual has insufficient or no potential  
15 benefit entitlement remaining with the employer involved in the  
16 disqualification in the benefit year in existence on the date of  
17 the disqualifying determination, a reduction of benefits  
18 described in this subsection applies in a succeeding benefit year  
19 with respect to any benefit entitlement based upon credit weeks  
20 earned with the employer before the disqualifying act or  
21 discharge.

22 (c) For benefit years established before October 1, 2000, an  
23 individual disqualified under subsection (1)(h), (i), (j), (k),  
24 ~~or~~(m), **OR (N)** is not entitled to benefits based on wages and  
25 credit weeks earned before the disqualifying act or discharge  
26 with the employer involved in the disqualification.

27 (d) The benefit entitlement of an individual disqualified

1 under subsection (1)(a) or (b) is not subject to reduction as a  
2 result of that disqualification.

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

5 (f) For benefit years established on or after October 1,  
6 2000, if the individual is disqualified under subsection (1)(c),  
7 (d), (e), (f), (g), or (l), the maximum number of weeks otherwise  
8 applicable in calculating benefits for the individual under  
9 section 27(d) shall be reduced by the lesser of the following:

10 (i) The number of requalifying weeks required of the  
11 individual under this section.

12 (ii) The number of weeks of benefit entitlement remaining on  
13 the claim.

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

22 (5) If an individual leaves ~~work~~**EMPLOYMENT** to accept  
23 permanent full-time ~~work~~**EMPLOYMENT** with another employer and  
24 performs services for that employer, or if an individual leaves  
25 ~~work~~**EMPLOYMENT** to accept a recall from a former employer, all of  
26 the following apply:

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

1 (b) Wages earned with the employer whom the individual last  
2 left, including wages previously transferred under this  
3 subsection to the last employer, for the purpose of computing and  
4 charging benefits, are wages earned from the employer with whom  
5 the individual accepted work or recall, and benefits paid based  
6 upon those wages shall be charged to that employer.

7 (c) When issuing a determination covering the period of  
8 employment with a new or former employer described in this  
9 subsection, the ~~commission~~ **UNEMPLOYMENT AGENCY** shall advise the  
10 chargeable employer of the name and address of the other  
11 employer, the period covered by the employment, and the extent of  
12 the benefits that may be charged to the account of the chargeable  
13 employer.

14 (6) In determining whether work is suitable for an  
15 individual, the ~~commission~~ **UNEMPLOYMENT AGENCY** shall consider the  
16 degree of risk involved to the individual's health, safety, and  
17 morals, the individual's physical fitness and prior training, the  
18 individual's length of unemployment and prospects for securing  
19 local work in the individual's customary occupation, and the  
20 distance of the available work from the individual's residence.  
21 Additionally, the ~~commission~~ **UNEMPLOYMENT AGENCY** shall consider  
22 the individual's experience and prior earnings, but an unemployed  
23 individual who refuses an offer of work determined to be suitable  
24 under this section shall be denied benefits if the pay rate for  
25 that work is at least 70% of the gross pay rate he or she  
26 received immediately before becoming unemployed. **BEGINNING**  
27 **JANUARY 15, 2012, AFTER AN INDIVIDUAL HAS RECEIVED BENEFITS FOR**

1 50% OF THE BENEFIT WEEKS IN THE INDIVIDUAL'S BENEFIT YEAR, WORK  
2 SHALL NOT BE CONSIDERED UNSUITABLE BECAUSE IT IS OUTSIDE OF THE  
3 INDIVIDUAL'S TRAINING OR EXPERIENCE OR UNSUITABLE AS TO PAY RATE  
4 IF THE PAY RATE FOR THAT WORK MEETS OR EXCEEDS THE MINIMUM WAGE;  
5 IS AT LEAST THE PREVAILING MEAN WAGE FOR SIMILAR WORK IN THE  
6 LOCALITY FOR THE MOST RECENT FULL CALENDAR YEAR FOR WHICH DATA  
7 ARE AVAILABLE AS PUBLISHED BY THE DEPARTMENT OF TECHNOLOGY,  
8 MANAGEMENT, AND BUDGET AS "WAGES BY JOB TITLE", BY STANDARD  
9 METROPOLITAN STATISTICAL AREA; AND IS 120% OR MORE OF THE  
10 INDIVIDUAL'S WEEKLY BENEFIT AMOUNT.

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

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

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

19 (c) If as a condition of being employed, the individual  
20 would be required to join a company union or to resign from or  
21 refrain from joining a bona fide labor organization.

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

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

27 (i) A labor dispute in active progress at the place at which

1 the individual is or was last employed, or a shutdown or start-up  
2 operation caused by that labor dispute.

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

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

17 (c) An individual is not disqualified under this subsection  
18 if the individual is not directly involved in the labor dispute.  
19 An individual is not directly involved in a labor dispute unless  
20 any of the following are established:

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

26 (ii) The individual is participating in, financing, or  
27 directly interested in the labor dispute that causes the

1 individual's total or partial unemployment. The payment of  
2 regular union dues, in amounts and for purposes established  
3 before the inception of the labor dispute, is not financing a  
4 labor dispute within the meaning of this subparagraph.

5 (iii) At any time a labor dispute in the establishment or  
6 department in which the individual was employed does not exist,  
7 and the individual voluntarily stops working, other than at the  
8 direction of the individual's employing unit, in sympathy with  
9 employees in some other establishment or department in which a  
10 labor dispute is in progress.

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

14 (d) As used in this subsection, "directly interested" shall  
15 be construed and applied so as not to disqualify individuals  
16 unemployed as a result of a labor dispute the resolution of which  
17 may not reasonably be expected to affect their wages, hours, or  
18 other conditions of employment, and to disqualify individuals  
19 whose wages, hours, or conditions of employment may reasonably be  
20 expected to be affected by the resolution of the labor dispute. A  
21 "reasonable expectation" of an effect on an individual's wages,  
22 hours, or other conditions of employment exists, in the absence  
23 of a substantial preponderance of evidence to the contrary, in  
24 any of the following situations:

25 (i) If it is established that there is in the particular  
26 establishment or employing unit a practice, custom, or  
27 contractual obligation to extend within a reasonable period to

1 members of the individual's grade or class of workers in the  
2 establishment in which the individual is or was last employed  
3 changes in terms and conditions of employment that are  
4 substantially similar or related to some or all of the changes in  
5 terms and conditions of employment that are made for the workers  
6 among whom there exists the labor dispute that has caused the  
7 individual's total or partial unemployment.

8       (ii) If it is established that 1 of the issues in or purposes  
9 of the labor dispute is to obtain a change in the terms and  
10 conditions of employment for members of the individual's grade or  
11 class of workers in the establishment in which the individual is  
12 or was last employed.

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

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

23       (i) Representation of the workers by the same national or  
24 international organization or by local affiliates of that  
25 national or international organization.

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

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

6           (iv) Any functional integration of the work performed by  
7 those workers.

8           (v) Whether the resolution of those issues involved in the  
9 labor dispute as to some of the workers could directly or  
10 indirectly affect the advancement, negotiation, or settlement of  
11 the same or similar issues in respect to the remaining workers.

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

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

20           (9) Notwithstanding subsections (1) to (8), if the employing  
21 unit submits notice to the ~~commission~~**UNEMPLOYMENT AGENCY** of  
22 possible ineligibility or disqualification beyond the time limits  
23 prescribed by ~~commission~~**UNEMPLOYMENT AGENCY** rule, the notice  
24 shall not form the basis of a determination of ineligibility or  
25 disqualification for a claim period compensated before the  
26 receipt of the notice by the ~~commission~~**UNEMPLOYMENT AGENCY**.

27           (10) An individual is disqualified from receiving benefits

1 for any week or part of a week in which the individual has  
2 received, is receiving, or is seeking unemployment benefits under  
3 an unemployment compensation law of another state or of the  
4 United States. If the appropriate agency of the other state or of  
5 the United States finally determines that the individual is not  
6 entitled to unemployment benefits, the disqualification described  
7 in this subsection does not apply.

8       Sec. 32a. (1) Upon application by an interested party for  
9 review of a determination, upon request for transfer to a ~~referee~~  
10 **AN ADMINISTRATIVE LAW JUDGE** for a hearing filed with the  
11 ~~commission~~**UNEMPLOYMENT AGENCY** within 30 days after the mailing  
12 or personal service of a notice of determination, or upon the  
13 ~~commission's~~**UNEMPLOYMENT AGENCY'S** own motion within that 30-day  
14 period, the ~~commission~~**UNEMPLOYMENT AGENCY** shall review any  
15 determination. After review, the ~~commission~~**UNEMPLOYMENT AGENCY**  
16 shall issue a redetermination affirming, modifying, or reversing  
17 the prior determination and stating the reasons for the  
18 redetermination, or may in its discretion transfer the matter to  
19 a ~~referee~~**AN ADMINISTRATIVE LAW JUDGE** for a hearing. If a  
20 redetermination is issued, the ~~commission~~**UNEMPLOYMENT AGENCY**  
21 shall promptly notify the interested parties of the  
22 redetermination, the redetermination is final unless within 30  
23 days after the mailing or personal service of a notice of the  
24 redetermination an appeal is filed with the ~~commission~~  
25 **UNEMPLOYMENT AGENCY** for a hearing on the redetermination before a  
26 ~~referee~~**AN ADMINISTRATIVE LAW JUDGE** in accordance with section  
27 33.

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

13           (3) If an interested party fails to file a protest within  
14 the 30-day period and the ~~commission~~**UNEMPLOYMENT AGENCY** for good  
15 cause reconsiders a prior determination or redetermination and  
16 issues a redetermination, a disqualification, or an ineligibility  
17 imposed thereunder, other than an ineligibility imposed due to  
18 receipt of retroactive pay, the redetermination,  
19 disqualification, or ineligibility does not apply to a  
20 compensable period for which benefits were paid or are payable  
21 unless the benefits were obtained as a result of an  
22 administrative clerical error, a false statement, or a  
23 nondisclosure or misrepresentation of a material fact by the  
24 claimant. However, the redetermination is final unless within 30  
25 days after the date of mailing or personal service of the notice  
26 of redetermination an appeal is filed for a hearing on the  
27 redetermination before a ~~referee~~**AN ADMINISTRATIVE LAW JUDGE** in

1 accordance with section 33.

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

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

7 (b) If both the ~~commission~~ **UNEMPLOYMENT AGENCY** and the  
8 employer agree, the matter may be transferred directly to a  
9 ~~referee~~ **AN ADMINISTRATIVE LAW JUDGE** in a case involving  
10 unemployment contributions or reimbursements in lieu of  
11 contributions.

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

18 (2) Within 10 days of receiving a ~~request for~~  
19 ~~redetermination or a protest~~ **OR APPEAL** from an employer or  
20 employing unit, the unemployment agency shall post a statement  
21 confirming receipt of the ~~request for redetermination or protest~~  
22 **OR APPEAL** from that employer or employing unit on the internet  
23 site required under subsection (1).

24 (3) **A PROTEST OR APPEAL SHALL BE SIGNED IN A MANNER APPROVED**  
25 **BY THE AGENCY AND SHALL BE TRANSMITTED TO THE AGENCY BY MAIL,**  
26 **FACSIMILE, OR OTHER ELECTRONIC METHOD APPROVED BY THE AGENCY.**

27 Sec. 33. (1) ~~The commission shall appoint an adequate number~~

1 ~~of impartial referees to hear and decide appeals~~ **AN APPEAL** from a  
2 redetermination issued by the ~~commission~~ **AGENCY** in accordance  
3 with section 32a or ~~to hear and decide~~ a matter transferred **FOR**  
4 **HEARING AND DECISION** in accordance with section 32a **SHALL BE**  
5 **REFERRED TO THE MICHIGAN ADMINISTRATIVE HEARING SYSTEM FOR**  
6 **ASSIGNMENT TO AN ADMINISTRATIVE LAW JUDGE**. If the ~~commission~~  
7 **AGENCY** transfers a matter, or an interested party requests a  
8 hearing before a ~~referee~~ **AN ADMINISTRATIVE LAW JUDGE** on a  
9 redetermination, all matters pertinent to the claimant's benefit  
10 rights or to the liability of the employing unit under this act  
11 shall be referred to a ~~referee~~ **THE ADMINISTRATIVE LAW JUDGE**. The  
12 ~~referee~~ **ADMINISTRATIVE LAW JUDGE** shall afford all interested  
13 parties a reasonable opportunity for a fair hearing and, unless  
14 the appeal is withdrawn, the ~~referee~~ **ADMINISTRATIVE LAW JUDGE**  
15 shall decide the rights of the interested parties and shall  
16 notify the interested parties of the decision, ~~within 60 days,~~  
17 setting forth the findings of fact upon which the decision is  
18 based, together with the reasons for the decision. ~~However, with~~  
19 **WITH** respect to an appeal from a denial of redetermination, if  
20 the ~~referee~~ **ADMINISTRATIVE LAW JUDGE** finds that there was good  
21 cause for the issuance of a redetermination, the denial shall be  
22 a redetermination affirming the determination and the appeal from  
23 the denial shall be an appeal from that affirmance. ~~However, when~~  
24 ~~the same or substantially similar evidence is material to the~~  
25 ~~matter in issue with respect to more than 1 interested party, the~~  
26 ~~same time and place for considering all the cases may be fixed,~~  
27 ~~hearing on the cases jointly conducted, a single record of the~~

1 ~~proceedings made, and evidence introduced with respect to 1~~  
2 ~~proceeding considered as introduced in the others, if an~~  
3 ~~interested party is not prejudiced thereby.~~ **UNLESS AN INTERESTED**  
4 **PARTY WOULD BE UNDULY PREJUDICED, AN ADMINISTRATIVE LAW JUDGE MAY**  
5 **CONSOLIDATE CASES INVOLVING THE SAME OR SUBSTANTIALLY SIMILAR**  
6 **EVIDENCE OR ISSUES, HEAR THE CONSOLIDATED CASES AT THE SAME DATE**  
7 **AND TIME, CREATE A SINGLE RECORD OF PROCEEDINGS, AND CONSIDER**  
8 **EVIDENCE INTRODUCED IN 1 OF THOSE CASES IN THE OTHER CASES.** If  
9 the appellant fails to appear or prosecute the appeal, the  
10 ~~referee~~ **ADMINISTRATIVE LAW JUDGE** may dismiss the proceedings or  
11 take other action considered advisable. ~~A referee~~ **AN**  
12 **ADMINISTRATIVE LAW JUDGE** may, either upon application for  
13 rehearing by an interested party or on his or her own motion,  
14 proceed to rehear, affirm, modify, set aside, or reverse a prior  
15 decision on the basis of the evidence previously submitted in the  
16 case, or on the basis of additional evidence. ~~However, the~~ **THE**  
17 application or motion shall be made within 30 days after the date  
18 of mailing of the decision. The ~~referee~~ **ADMINISTRATIVE LAW JUDGE**  
19 may, for good cause, reopen and review a prior decision ~~of a~~  
20 ~~referee~~ and issue a new decision after the 30-day appeal period  
21 has expired. ~~However, a~~ **A** request for review shall be made within  
22 1 year after the date of mailing of the prior decision. ~~A referee~~  
23 **AN ADMINISTRATIVE LAW JUDGE** shall not participate in a case in  
24 which he or she has a direct or indirect interest.

25 (2) ~~An interested party within~~ **WITHIN** 30 days after the  
26 mailing of a copy of a decision of the ~~referee~~ **ADMINISTRATIVE LAW**  
27 **JUDGE** or of a denial of a motion for rehearing, **AN INTERESTED**

1 **PARTY** may file an appeal to the ~~board of review, MICHIGAN~~  
2 **COMPENSATION APPELLATE COMMISSION**, and unless such an appeal is  
3 filed, the decision or denial shall be ~~BY THE ADMINISTRATIVE LAW~~  
4 **JUDGE IS** final.

5 ~~—— (3) A writing prepared, owned, used, in the possession of,~~  
6 ~~or retained by a referee in the performance of an official~~  
7 ~~function shall be made available to the public in compliance with~~  
8 ~~Act No. 442 of the Public Acts of 1976, being sections 15.231 to~~  
9 ~~15.246 of the Michigan Compiled Laws.~~

10           Sec. 34. (1) **THE MICHIGAN COMPENSATION APPELLATE COMMISSION**  
11 **CREATED IN EXECUTIVE REORGANIZATION ORDER NO. 2011-6, MCL**  
12 **445.2032, HAS FULL AUTHORITY TO HANDLE, PROCESS, AND DECIDE**  
13 **APPEALS FILED UNDER SECTION 33(2).**

14           (2) An appeal to the ~~board of review~~ **MICHIGAN COMPENSATION**  
15 **APPELLATE COMMISSION** from the findings of fact and decision of  
16 the ~~referee~~ **ADMINISTRATIVE LAW JUDGE** or from a denial by the  
17 ~~referee~~ **ADMINISTRATIVE LAW JUDGE** of a motion for a rehearing or  
18 reopening, shall be a matter of right by an interested party.  
19 The ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**,  
20 on the basis of evidence previously submitted and additional  
21 evidence as it requires, shall affirm, modify, set aside, or  
22 reverse the findings of fact and decision of the ~~referee~~  
23 **ADMINISTRATIVE LAW JUDGE** or a denial by the ~~referee~~  
24 **ADMINISTRATIVE LAW JUDGE** of a motion for rehearing or reopening.

25           (3) **THE AGENCY IS AN INTERESTED PARTY IN A MATTER BEFORE AN**  
26 **ADMINISTRATIVE LAW JUDGE, THE MICHIGAN COMPENSATION APPELLATE**  
27 **COMMISSION, OR A COURT, BUT NOTICE OF HEARING IS NOT REQUIRED TO**

1 BE PROVIDED TO THE AGENCY FOR A HEARING BEFORE AN ADMINISTRATIVE  
2 LAW JUDGE OR THE MICHIGAN COMPENSATION APPELLATE COMMISSION.

3 (4) The ~~board~~ MICHIGAN COMPENSATION APPELLATE COMMISSION  
4 shall conduct an oral hearing in a matter before ~~the board~~ IT  
5 only after an application for the hearing is made by an  
6 interested party and the application is approved by 2 or more  
7 members of the ~~board~~ MICHIGAN COMPENSATION APPELLATE COMMISSION  
8 assigned to review the appeal. If an application for an oral  
9 hearing is not approved, the ~~board shall not~~ MICHIGAN  
10 COMPENSATION APPELLATE COMMISSION MAY consider a written argument  
11 ~~unless~~ IF AN APPLICATION FOR WRITTEN ARGUMENT IS APPROVED BY 2 OR  
12 MORE MEMBERS OF THE MICHIGAN COMPENSATION APPELLATE COMMISSION  
13 ASSIGNED TO REVIEW THE APPEAL AND all parties are represented or  
14 all parties agree that written argument should be considered. If  
15 neither an oral hearing is held nor written argument considered,  
16 the ~~board~~ MICHIGAN COMPENSATION APPELLATE COMMISSION shall decide  
17 the case on the ~~referee~~ record BEFORE THE ADMINISTRATIVE LAW  
18 JUDGE. The ~~board shall notify each interested party of its~~  
19 ~~decision or order within 60 days after the date of the last board~~  
20 ~~of review hearing on a contested matter.~~

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

26 (6) If the appellant fails to appear, the ~~board of review~~  
27 MICHIGAN COMPENSATION APPELLATE COMMISSION may dismiss the

1 proceedings or take other action as ~~it may deem~~ **IT CONSIDERS**  
2 advisable.

3       (7) The ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE**  
4 **COMMISSION** may, either upon application by an interested party  
5 for rehearing or on its own motion, proceed to rehear, affirm,  
6 modify, set aside, or reverse a prior decision on the basis of  
7 the evidence previously submitted in that case, or on the basis  
8 of additional evidence if the application or motion is made  
9 within 30 days after the date of mailing of the prior decision.  
10 The ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**  
11 may, for good cause, reopen and review a prior decision of the  
12 ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION** and  
13 issue a new decision after the 30-day appeal period has expired,  
14 but a review shall not be made unless the request is filed with  
15 the ~~board~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**, or review  
16 is initiated by the ~~board~~ **MICHIGAN COMPENSATION APPELLATE**  
17 **COMMISSION** with notice to the interested parties, within 1 year  
18 after the date of mailing of the prior decision. Unless an  
19 interested party, within 30 days after mailing of a copy of a  
20 decision of the ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE**  
21 **COMMISSION** or of a denial of a motion for a rehearing, files an  
22 appeal from the decision or denial, or seeks judicial review as  
23 provided in section 38, the decision shall be final.

24       (8) **THE MICHIGAN COMPENSATION APPELLATE COMMISSION MAY ON**  
25 **ITS OWN MOTION AFFIRM, MODIFY, SET ASIDE, OR REVERSE A DECISION**  
26 **OR ORDER OF AN ADMINISTRATIVE LAW JUDGE ON THE BASIS OF THE**  
27 **EVIDENCE PREVIOUSLY SUBMITTED IN THE CASE; DIRECT THE TAKING OF**

1 ADDITIONAL EVIDENCE; OR PERMIT A PARTY TO THE DECISION OR ORDER  
2 TO INITIATE FURTHER APPEALS BEFORE IT. THE MICHIGAN COMPENSATION  
3 APPELLATE COMMISSION SHALL PERMIT A FURTHER APPEAL BY A PARTY  
4 INTERESTED IN A DECISION OR ORDER OF AN ADMINISTRATIVE LAW JUDGE  
5 OR BY THE MICHIGAN COMPENSATION APPELLATE COMMISSION IF ITS  
6 INITIAL RULING HAS BEEN OVERRULED OR MODIFIED. THE MICHIGAN  
7 COMPENSATION APPELLATE COMMISSION MAY TRANSFER TO ITSELF OR  
8 DIRECT THE MICHIGAN ADMINISTRATIVE HEARING SYSTEM TO TRANSFER TO  
9 ANOTHER ADMINISTRATIVE LAW JUDGE THE PROCEEDINGS ON APPEAL,  
10 REHEARING, OR REVIEW PENDING BEFORE AN ADMINISTRATIVE LAW JUDGE.  
11 THE MICHIGAN COMPENSATION APPELLATE COMMISSION SHALL PROMPTLY  
12 NOTIFY THE INTERESTED PARTIES OF ITS FINDINGS AND DECISIONS.

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

15 (10) THE TESTIMONY AT A HEARING BEFORE AN ADMINISTRATIVE LAW  
16 JUDGE OR THE MICHIGAN COMPENSATION APPELLATE COMMISSION SHALL BE  
17 RECORDED, BUT NEED NOT BE TRANSCRIBED UNLESS REQUESTED BY THE  
18 MAJORITY OF THE PANEL OF THE MICHIGAN COMPENSATION APPELLATE  
19 COMMISSION ASSIGNED TO HEAR THE CLAIM. IF AN INTERESTED PARTY  
20 WANTS A COPY OF A TRANSCRIPT OF A HEARING HELD BEFORE AN  
21 ADMINISTRATIVE LAW JUDGE OR THE MICHIGAN COMPENSATION APPELLATE  
22 COMMISSION, AN INTERESTED PARTY MAY REQUEST AND SHALL BE PROVIDED  
23 A TRANSCRIPT. AN INTERESTED PARTY WHO REQUESTS A TRANSCRIPT IS  
24 RESPONSIBLE FOR THE COST OF THE TRANSCRIPT.

25 (11) THE MANNER IN WHICH AN APPEAL TO AN ADMINISTRATIVE LAW  
26 JUDGE AND THE MICHIGAN COMPENSATION APPELLATE COMMISSION SHALL BE  
27 PRESENTED, THE APPEAL REPORTS REQUIRED FROM AN INTERESTED PARTY,

1 AND THE PROCEDURE GOVERNING THE APPEAL SHALL BE IN ACCORDANCE  
2 WITH RULES PROMULGATED BY THE MICHIGAN ADMINISTRATIVE HEARING  
3 SYSTEM.

4       Sec. 37. (1) Witnesses subpoenaed pursuant to this act shall  
5 be allowed fees at the rate fixed by law. The fees and expenses  
6 of proceedings involving disputed determinations, decisions, or  
7 notices of assessments before a ~~referee~~ **AN ADMINISTRATIVE LAW**  
8 **JUDGE** or the ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE**  
9 **COMMISSION** shall be considered a part of the expense of  
10 administering this act.

11       (2) If an interested party to a hearing formally requests  
12 ~~the commission, a referee,~~ **AN ADMINISTRATIVE LAW JUDGE** or the  
13 ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION** to  
14 obtain a subpoena for witnesses whose evidence it considers  
15 necessary, ~~the commission, referee or board of review~~ **AN**  
16 **ADMINISTRATIVE LAW JUDGE OR THE MICHIGAN COMPENSATION APPELLATE**  
17 **COMMISSION** shall promptly issue the subpoena as provided in  
18 ~~sections 9 and 35 of this act,~~ unless the request is determined  
19 to be unreasonable.

20       Sec. 38. (1) The circuit court in the county in which the  
21 claimant resides or the circuit court in the county in which the  
22 claimant's place of employment is or was located, or, if a  
23 claimant is not a party to the case, the circuit court in the  
24 county in which the employer's principal place of business in  
25 this state is located, may review questions of fact and law on  
26 the record made before the ~~referee~~ **ADMINISTRATIVE LAW JUDGE** and  
27 the ~~board of review~~ **MICHIGAN COMPENSATION APPELLATE COMMISSION**

1 involved in a final order or decision of the ~~board,~~ **MICHIGAN**  
2 **COMPENSATION APPELLATE COMMISSION**, and may make further orders in  
3 respect to that order or decision as justice may require, but the  
4 court may reverse an order or decision only if it finds that the  
5 order or decision is contrary to law or is not supported by  
6 competent, material, and substantial evidence on the whole  
7 record. Application for review shall be made within 30 days after  
8 the mailing of a copy of the order or decision by any method  
9 permissible under the rules and practices of the circuit court of  
10 this state.

11 (2) An order or decision of a ~~hearing referee~~ **AN**  
12 **ADMINISTRATIVE LAW JUDGE** that involves a claim for unemployment  
13 benefits may be appealed directly to the circuit court if the  
14 claimant and the employer or their authorized agents or attorneys  
15 agree to do so by written stipulation filed with the ~~referee.~~ **A**  
16 ~~hearing referee's~~ **ADMINISTRATIVE LAW JUDGE. AN ADMINISTRATIVE LAW**  
17 **JUDGE'S** order or decision involving an employer's contributions  
18 or payments in lieu of contributions under this act may be  
19 appealed directly to the circuit court ~~if the employer and~~  
20 ~~commission execute and file with the hearing referee~~ **BASED ON** a  
21 written stipulation agreeing to the direct appeal to the circuit  
22 court.

23 (3) The ~~commission~~ **UNEMPLOYMENT AGENCY** is a party to any  
24 judicial action involving an order or decision of the board of  
25 review or a referee.

26 (4) The decision of the circuit court may be appealed in the  
27 manner provided by the laws of this state for appeals from the

1 circuit court.

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

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

8           (a) The service is localized in this state. Service shall be  
9 deemed to be localized within a state if the service is performed  
10 entirely within the state; or the service is performed both  
11 within and without the state, but the service performed without  
12 the state is incidental to the individual's service within the  
13 state, such as service which is temporary or transitory in nature  
14 or consists of isolated transactions.

15           (b) The service is not localized in a state but some of the  
16 service performed in this state and the base of operations, or,  
17 if there is not a base of operations, then the place from which  
18 the service is directed or controlled, is in this state; or the  
19 base of operations or place from which the service is directed or  
20 controlled is not in a state in which some part of the service is  
21 performed, but the individual's residence is in this state.

22           (c) After December 31, 1964, the service is not localized in  
23 any state but is performed by an employee on or in connection  
24 with an American aircraft, if either the contract of service is  
25 entered into within this state or if the contract of service is  
26 not entered into within this state or within any other state and  
27 during the performance of the contract of service and while the

1 employee is employed on the aircraft, it touches at an airfield  
2 in this state, and the employee is employed on and in connection  
3 with the aircraft when outside the United States. The ~~commission~~  
4 **UNEMPLOYMENT AGENCY** may enter into reciprocal agreements with  
5 other states with respect to aircraft which touch airfields in  
6 more than 1 state.

7 (3) Service performed within this state but not covered  
8 under subsection (2) and not excluded under section 43 shall be  
9 deemed to be employment subject to this act if contributions are  
10 not required and paid with respect to those services under an  
11 unemployment compensation law of any other state or of the  
12 federal government.

13 (4) Services, not covered under subsection (2), performed  
14 entirely without this state, for which contributions are not  
15 required and paid under an unemployment compensation law of any  
16 other state or of the federal government, shall be deemed to be  
17 employment subject to this act if the ~~commission~~**UNEMPLOYMENT**  
18 **AGENCY** approves the election of the employer for whom the  
19 services are performed that the entire service of the individual  
20 shall be deemed to be employment subject to this act. Such an  
21 election may be canceled by the employer by filing a written  
22 notice with the ~~commission~~**UNEMPLOYMENT AGENCY** before January 30  
23 of any year stating the employer's desire to cancel the election  
24 or at any time by submitting to the ~~commission~~**UNEMPLOYMENT**  
25 **AGENCY** satisfactory proof that the services designated in the  
26 election are covered by an unemployment compensation law of  
27 another state or of the federal government, or if the services

1 are covered by an arrangement pursuant to section 11 between the  
2 ~~commission~~ **UNEMPLOYMENT AGENCY** and the agency charged with the  
3 administration of any other state or federal unemployment  
4 compensation law, pursuant to which all services performed by an  
5 individual for an employing unit are deemed to be performed  
6 entirely within the state, shall be deemed to be employment if  
7 the ~~commission~~ **UNEMPLOYMENT AGENCY** has approved an election of  
8 the employing unit for which the services are performed, pursuant  
9 to which the entire service of the individual during the period  
10 covered by the election is deemed to be employment.

11 (5) ~~Services~~ **BEFORE JANUARY 1, 2013, SERVICES** performed by  
12 an individual for remuneration ~~shall not be deemed to be~~ **ARE NOT**  
13 employment subject to this act, unless the individual is under  
14 the employer's control or direction as to the performance of the  
15 services both under a contract for hire and in fact. Service  
16 performed by an individual for remuneration under an exclusive  
17 contract ~~which~~ **THAT** provides for the individual's control and  
18 direction by a person, firm, or corporation possessing a public  
19 service permit or by a certificated motor carrier transporting  
20 goods or property for hire ~~shall be deemed~~ **ARE** employment subject  
21 to this act. Service **IS EMPLOYMENT UNDER THIS ACT IF IT IS**  
22 performed by an individual who by lease, contract, or arrangement  
23 places at the disposal of a person, firm, or corporation a piece  
24 of motor vehicle equipment and under a contract of hire, ~~which~~  
25 **THAT** provides for the individual's control and direction, is  
26 engaged by the person, firm, or corporation to operate the motor  
27 vehicle equipment. ~~shall be deemed to be employment subject to~~

1 ~~this act.~~ ON AND AFTER JANUARY 1, 2013, SERVICES ARE EMPLOYMENT IF  
2 THE SERVICES ARE PERFORMED BY AN INDIVIDUAL WHO THE AGENCY  
3 DETERMINES TO BE IN AN EMPLOYER-EMPLOYEE RELATIONSHIP USING THE  
4 20-FACTOR TEST ANNOUNCED BY THE INTERNAL REVENUE SERVICE OF THE  
5 UNITED STATES DEPARTMENT OF TREASURY IN REVENUE RULING 87-41, 1  
6 C.B. 296. AN INDIVIDUAL FROM WHOM AN EMPLOYER IS REQUIRED TO  
7 WITHHOLD FEDERAL INCOME TAX IS PRIMA FACIE CONSIDERED TO PERFORM  
8 SERVICES IN EMPLOYMENT UNDER THIS ACT.

9 (6) Notwithstanding section 43, services performed for an  
10 employing unit, for which the employing unit is liable for  
11 federal tax against which credit may be taken for contributions  
12 required to be paid into a state unemployment compensation fund,  
13 shall be deemed to constitute employment for the purposes of this  
14 act, but only to the extent that the services constitute  
15 employment with respect to which federal tax is payable.  
16 Notwithstanding any other provision of this act or any amendatory  
17 act, services performed for an employing unit which are required  
18 to be covered under this act, as a condition for its  
19 certification by the United States secretary of labor, shall  
20 constitute employment for the purposes of this act. The  
21 ~~commission~~ **UNEMPLOYMENT AGENCY** may waive the provisions of this  
22 subsection with respect to services performed within this state  
23 if the employing unit is an employer solely by reason of section  
24 41(7) and establishes that the services are covered by the  
25 election of the employing unit under any other state unemployment  
26 compensation law. This subsection shall not apply to the  
27 exceptions provided in section 43(q).

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

9           (8)

10           (a) Service performed before January 1, 1978, by an  
11 individual in the classified civil service of this state and  
12 service performed by an individual for a school district, a  
13 community college district, a school or educational facility  
14 owned or operated by the state other than an institution of  
15 higher education, or a political subdivision of the state, except  
16 a political subdivision which has a local unemployment  
17 compensation system as provided in section 13j, is employment  
18 subject to this act.

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

22           (9) "Employment" includes service performed after December  
23 31, 1971, by an individual in the employ of this state or any of  
24 its instrumentalities for a state hospital or state institution  
25 of higher education, or in the employ of this state and 1 or more  
26 other states or their instrumentalities for a hospital or  
27 institution of higher education located in this state. Coverage

1 of services performed for these hospitals and institutions of  
2 higher education after December 31, 1977, shall be determined  
3 pursuant to section 42(8)(b).

4 (10) "Employment" includes service performed after December  
5 31, 1971, by an individual in the employ of a religious,  
6 charitable, educational, or other organization which is excluded  
7 from the term "employment" as defined in the federal unemployment  
8 tax act solely by reason of section 3306(c)(8) of the  
9 unemployment tax act.

10 (11) "Employment" includes service performed after December  
11 31, 1971, by an individual for his principal as an agent driver  
12 or commission driver engaged in distributing beverages, meat,  
13 vegetable, fruit, bakery, dairy, or other food products, or  
14 laundry or dry cleaning services; or as a traveling or city  
15 salesman, other than as an agent driver or commission driver,  
16 engaged upon a full-time basis in the solicitation on behalf of,  
17 and the transmission to, his principal except for sideline sales  
18 activities on behalf of some other person, of orders from  
19 wholesalers, retailers, contractors, operators of hotels,  
20 restaurants, or other similar establishments for merchandise for  
21 resale or supplies for use in their business operations. For  
22 purposes of this subsection, "employment" includes services  
23 performed after December 31, 1971, only if all of the following  
24 apply:

25 (a) The contract of service contemplates that substantially  
26 all of the services are to be performed personally by the  
27 individual.

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

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

7 (12) "Employment" includes service performed by a United  
8 States citizen outside the United States after December 31, 1971,  
9 except in Canada, and in the Virgin Islands after December 31,  
10 1971, and before January 1 of the year following the year in  
11 which the United States secretary of labor approves the  
12 unemployment compensation law of the Virgin Islands under section  
13 3304(a) of the internal revenue code, while in the employ of an  
14 American employer and is other than service which is employment  
15 pursuant to subsection (2) or a parallel provision of another  
16 state's law, if the requirements of subdivision (a), (b), or (c)  
17 are met:

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

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

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

23 (ii) A corporation which is organized under the laws of this  
24 state.

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

1 (c) None of the criteria of subdivisions (a) and (b) is met  
2 but the employer elected coverage of the service under this act,  
3 or the employer failed to elect coverage in any state and the  
4 individual filed a claim for benefits based on the service under  
5 the law of this state.

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

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

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

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

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

15 (e) As used in this subsection, "United States" includes the  
16 states, the District of Columbia, and the Commonwealth of Puerto  
17 Rico.

18 (13) Notwithstanding any other provision of this act, the  
19 term "employment" shall include an individual's service, wherever  
20 performed within the United States, the Virgin Islands, or  
21 Canada, if the service is not covered under the unemployment  
22 compensation law of any other state, the Virgin Islands, or  
23 Canada, and the place from which the service is directed or  
24 controlled is in this state.

25 **SEC. 42A. IF A BUSINESS ENTITY REQUESTS THE UNEMPLOYMENT**  
26 **AGENCY TO DETERMINE WHETHER 1 OR MORE INDIVIDUALS PERFORMING**  
27 **SERVICES FOR THE ENTITY IN THIS STATE ARE IN COVERED EMPLOYMENT,**

1 THE UNEMPLOYMENT AGENCY SHALL ISSUE A DETERMINATION OF COVERAGE  
2 OF SERVICES PERFORMED BY THOSE INDIVIDUALS AND ANY OTHER  
3 INDIVIDUALS PERFORMING SIMILAR SERVICES UNDER SIMILAR  
4 CIRCUMSTANCES. IF THE UNEMPLOYMENT AGENCY DETERMINES THAT THE  
5 SERVICES ARE IN COVERED EMPLOYMENT AND THE UNEMPLOYMENT AGENCY  
6 RECEIVED THE REQUEST ON OR AFTER THE EFFECTIVE DATE OF THE  
7 AMENDATORY ACT THAT ADDED THIS SECTION AND BEFORE JANUARY 1,  
8 2013, ONLY WAGES PAID ON OR AFTER THE DATE OF THE DETERMINATION  
9 SHALL BE USED FOR BENEFIT QUALIFYING PURPOSES AND FOR THE  
10 CALCULATION OF THE UNEMPLOYMENT CONTRIBUTION RATE AND THE  
11 UNEMPLOYMENT CONTRIBUTIONS OR REIMBURSEMENTS IN LIEU OF  
12 CONTRIBUTIONS. PENALTIES AND INTEREST ACCRUE ONLY ON  
13 CONTRIBUTIONS OR REIMBURSEMENTS IN LIEU OF CONTRIBUTIONS THAT ARE  
14 ASSESSED BASED ON WAGES PAID ON OR AFTER THE DATE OF THE  
15 DETERMINATION. ON AND AFTER JANUARY 1, 2013, SERVICES WILL BE  
16 DETERMINED IN EMPLOYMENT IN ACCORDANCE WITH THE PROVISION OF  
17 SECTION 42 THAT APPLIES ON AND AFTER THAT DATE.

18       Sec. 44. (1) "Remuneration" means all compensation paid for  
19 personal services, including commissions and bonuses, and except  
20 for agricultural and domestic services, the cash value of all  
21 compensation payable in a medium other than cash. Any  
22 remuneration payable to an individual that has not been actually  
23 received by that individual within 21 days after the end of the  
24 pay period in which the remuneration was earned, shall, for the  
25 purposes of subsections (2) to (5) and section 46, be considered  
26 to have been paid on the twenty-first day after the end of that  
27 pay period. For benefit years beginning **ON OR** after the

1 ~~conversion date prescribed in section 75~~ **OCTOBER 1, 2000**, if back  
2 pay is awarded to an individual and is allocated by an employer  
3 or legal authority to a period of weeks within 1 or more calendar  
4 quarters, the back pay shall be considered paid in that calendar  
5 quarter or those calendar quarters for purposes of section 46.  
6 The reasonable cash value of compensation payable in a medium  
7 other than cash shall be estimated and determined in accordance  
8 with rules promulgated by the unemployment agency. Beginning  
9 January 1, 1986, remuneration shall include tips actually  
10 reported to an employer under section 6053(a) of the internal  
11 revenue code by an employee who receives tip income. Remuneration  
12 does not include either of the following:

13 (a) Money paid an individual by a unit of government for  
14 services rendered as a member of the national guard of this  
15 state, or for similar services to another state or the United  
16 States.

17 (b) Money paid by an employer to a worker under a  
18 supplemental unemployment benefit plan ~~under section 501(e) of~~  
19 ~~the internal revenue code of 1986~~ **CONSISTENT WITH THE CRITERIA**  
20 **FOR A SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN AS DESCRIBED IN**  
21 **INTERNAL REVENUE SERVICE PUBLICATION 15-A, EMPLOYER'S**  
22 **SUPPLEMENTAL TAX GUIDE, OR A SUCCESSOR PUBLICATION**, regardless of  
23 whether the benefits are paid from a trust or by the employer.

24 (2) "Wages", subject to subsections (3) to (5), means  
25 remuneration paid by employers for employment and, beginning  
26 January 1, 1986, includes tips actually reported to an employer  
27 under section 6053(a) of the internal revenue code by an employee

1 who receives tip income. If any provision of this subsection  
2 prevents this state from qualifying for any federal interest  
3 relief provisions provided under section 1202 of title XII of the  
4 social security act, 42 ~~U.S.C.—USC~~ 1322, or prevents employers in  
5 this state from qualifying for the limitation on the reduction of  
6 federal unemployment tax act credits as provided under section  
7 3302(f) of the federal unemployment tax act, 26 ~~U.S.C.—USC~~ 3302,  
8 that provision is invalid to the extent necessary to maintain  
9 qualification for the interest relief provisions and federal  
10 unemployment tax credits.

11 (3) For the purpose of determining the amount of  
12 contributions due from an employer under this act, wages shall be  
13 limited by the taxable wage limit applicable under subsection  
14 (4). For this purpose, wages shall exclude all remuneration paid  
15 within a calendar year to an individual by an employing unit  
16 after the individual was paid within that year by that employing  
17 unit remuneration equal to the taxable wage limit on which  
18 unemployment taxes were paid or were payable in this state and in  
19 any other states. If an employing unit, hereinafter referred to  
20 as successor, during any calendar year becomes a transferee in a  
21 transfer of business as defined in section 22 of another,  
22 hereinafter referred to as a predecessor, and immediately after  
23 the transfer employs in his or her trade or business an  
24 individual who immediately before the transfer was employed in  
25 the trade or business of the predecessor, then for the purpose of  
26 determining whether the successor has paid remuneration with  
27 respect to employment equal to the taxable wage limit to that

1 individual during the calendar year, any remuneration with  
2 respect to employment paid to that individual by the predecessor  
3 during the calendar year and before the transfer shall be  
4 considered as having been paid by the successor.

5 (4) The taxable wage limit for each calendar year ~~shall be~~  
6 **IS** \$8,000.00 in the 1983 calendar year, \$8,500.00 in the 1984  
7 calendar year, \$9,000.00 in the 1985 calendar year, \$9,500.00 in  
8 ~~the 1986 calendar year, and \$9,500.00 for calendar years after~~  
9 **CALENDAR YEARS** 1986 through 2002, and \$9,000.00 for calendar  
10 years after 2002 **AND BEFORE 2012**, or the maximum amount of  
11 remuneration paid within a calendar year by an employer subject  
12 to the federal unemployment tax act, 26 U.S.C.—**USC** 3301 to 3311,  
13 to an individual with respect to employment as defined in that  
14 act that is subject to tax under that act during that year for  
15 each calendar year, whichever is greater. **FOR CALENDAR YEARS**  
16 **BEGINNING 2012, THE TAXABLE WAGE LIMIT IS \$9,500.00, BUT IF AT**  
17 **THE BEGINNING OF A CALENDAR QUARTER THE BALANCE IN THE**  
18 **UNEMPLOYMENT COMPENSATION FUND EQUALS OR EXCEEDS**  
19 **\$2,500,000,000.00 AND THE AGENCY PROJECTS THAT THE BALANCE WILL**  
20 **REMAIN AT OR ABOVE \$2,500,000,000.00 FOR THE REMAINDER OF THE**  
21 **CALENDAR QUARTER AND FOR THE ENTIRE SUCCEEDING CALENDAR QUARTER,**  
22 **THE TAXABLE WAGE LIMIT FOR THAT CALENDAR QUARTER AND THE**  
23 **SUCCEEDING CALENDAR QUARTER IS \$9,000.00 FOR AN EMPLOYER THAT IS**  
24 **NOT DELINQUENT IN THE PAYMENT OF UNEMPLOYMENT CONTRIBUTIONS,**  
25 **PENALTIES, OR INTEREST.**

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

1           (a) The amount of a payment, including an amount paid by an  
2 employer for insurance or annuities or into a fund, to provide  
3 for such a payment, made to, or on behalf of, an employee or any  
4 of the employee's dependents under a plan or system established  
5 by an employer that makes provision for the employer's employees  
6 generally, or for the employer's employees generally and their  
7 dependents, or for a class or classes of the employer's  
8 employees, or for a class or classes of the employer's employees  
9 and their dependents, on account of retirement, sickness or  
10 accident disability, medical or hospitalization expenses in  
11 connection with sickness or accident disability, or death.

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

15           (c) A payment on account of sickness or accident disability,  
16 or medical or hospitalization expenses in connection with  
17 sickness or accident disability, made by an employer to, or on  
18 behalf of, an employee after the expiration of 6 calendar months  
19 following the last calendar month in which the employee worked  
20 for the employer.

21           (d) A payment made to, or on behalf of, an employee or the  
22 employee's beneficiary from or to a trust described in section  
23 401(a) of the internal revenue code of 1986 that is exempt from  
24 tax under section 501(a) of the internal revenue code of 1986 at  
25 the time of the payment, unless the payment is made to an  
26 employee of the trust as remuneration for services rendered as an  
27 employee and not as a beneficiary of the trust, or under or to an

1 annuity plan which, at the time of the payment, is a plan  
2 described in section 403(a) of the internal revenue code of 1986,  
3 or under or to a bond purchase plan that at the time of the  
4 payment, is a qualified bond purchase plan described in former  
5 section 405(a) of the internal revenue code.

6 (e) The payment by an employer, without deduction from the  
7 remuneration of the employee, of the tax imposed upon an employee  
8 under section 3101 of the federal insurance contributions act, 26  
9 U.S.C.—**USC** 3101.

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

13 (g) A payment, other than vacation or sick pay, made to an  
14 employee after the month in which the employee attains the age of  
15 65, if the employee did not work for the employer in the period  
16 for which the payment is made.

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

22 (6) The amendments made to this section by amendatory act  
23 1977 PA 155 ~~shall~~ apply to all remuneration paid after December  
24 31, 1977.

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

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

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

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

13           (3) Except for a disqualification under section 29 (8)  
14 involving a labor dispute during the individual's most recent  
15 period of employment with the most recent employer with whom the  
16 individual earned a credit week, the individual is not  
17 disqualified or subject to disqualification for the week for  
18 which he or she files a claim.

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

21           (b) For benefit years beginning **ON OR** after ~~the conversion~~  
22 ~~date prescribed in section 75~~ **OCTOBER 1, 2000**, "benefit year"  
23 means the period of 52 consecutive calendar weeks beginning the  
24 first calendar week in which an individual files a claim in  
25 accordance with section 32. However, a benefit year shall not be  
26 established unless the individual meets either of the following  
27 conditions:

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

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

9           (c) For benefit years beginning after ~~the conversion date~~  
10 ~~prescribed in section 75~~**OCTOBER 1, 2000**, the state average  
11 weekly wage for a calendar year shall be computed on the basis of  
12 the 12 months ending the June 30 preceding that calendar year. A  
13 benefit year shall not be established if the individual was not  
14 paid wages of at least the state minimum hourly wage multiplied  
15 by 388.06 rounded down to the nearest dollar in at least 1  
16 calendar quarter of the base period. A benefit year shall not be  
17 established based on base period wages previously used to  
18 establish a benefit year that resulted in the payment of  
19 benefits. However, if a calendar quarter of the base period  
20 contains wages that were previously used to establish a benefit  
21 year that resulted in the payment of benefits, a claimant may  
22 establish a benefit year using the wages in the remaining  
23 calendar quarters from among the first 4 of the last 5 completed  
24 calendar quarters, or if a benefit year cannot be established  
25 using those quarters, then by using wages from among the last 4  
26 completed calendar quarters. A benefit year shall not be  
27 established unless, after the beginning of the immediately

1 preceding benefit year during which the individual received  
2 benefits, the individual worked and received remuneration in an  
3 amount equal to at least 5 times the individual's most recent  
4 state weekly benefit rate in effect during the individual's  
5 immediately preceding benefit year. If a quarterly wage report  
6 has not been submitted in a timely manner by the employer as  
7 provided in section 13 for any of the quarters of the base  
8 period, or if wage information is not available for use by the  
9 ~~commission~~**UNEMPLOYMENT AGENCY** for the most recent completed  
10 calendar quarter, the ~~commission~~**may****UNEMPLOYMENT AGENCY SHALL**  
11 obtain and use the claimant's statement of wages paid during the  
12 calendar quarters for which the wage reports are missing to  
13 establish a benefit year. **HOWEVER, THE CLAIMANT'S STATEMENT OF**  
14 **WAGES SHALL ONLY BE USED TO ESTABLISH A BENEFIT YEAR IF THE**  
15 **CLAIMANT ALSO PROVIDES TO THE UNEMPLOYMENT AGENCY DOCUMENTARY OR**  
16 **OTHER EVIDENCE OF THOSE WAGES THAT IS SATISFACTORY TO THE**  
17 **UNEMPLOYMENT AGENCY.** A determination based on the claimant's  
18 statement of wages paid during any of these calendar quarters  
19 shall be redetermined if the quarterly wage report from the  
20 employer is later received and would result in a change in the  
21 claimant's weekly benefit amount or duration, or both, or if the  
22 quarterly wage report from the employer later becomes available  
23 for use by the ~~commission~~**UNEMPLOYMENT AGENCY** and would result in  
24 a change in the claimant's benefit amount or duration, or both.  
25 If the redetermination results from the employer's failure to  
26 submit the quarterly wage report in a timely manner, the  
27 redetermination shall be effective as to benefits payable for

1 weeks beginning after the receipt of information not previously  
2 submitted by the employer.

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

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

10 (f) An individual may request a redetermination of his or  
11 her benefit rights and cancellation of a previously established  
12 benefit year if he or she has not completed a compensable period.  
13 Under circumstances described in this subsection, the benefit  
14 year begins the first day of the first week in which the request  
15 for redetermination of benefit rights is duly filed.

16 (g) Notwithstanding subsection (a), for services performed  
17 on or after January 2, 1983, and with respect to benefit years  
18 established before ~~the conversion date prescribed in section 75~~  
19 **OCTOBER 1, 2000**, an individual ~~shall not be~~ **IS NOT** entitled to  
20 establish a benefit year based in whole or in part on credit  
21 weeks for service in the employ of an employing unit, not  
22 otherwise excluded under section 43(g), in which more than 50% of  
23 the proprietary interest is owned by the individual or his or her  
24 son, daughter, or spouse, or any combination of these  
25 individuals, or in which more than 50% of the proprietary  
26 interest is owned by the mother or father of a child under the  
27 age of 18, or mother and father combined, unless both the

1 individual and the employer notify the commission, in response to  
2 the commission's request for information, of the individual's  
3 relationship to the owners of the proprietary interest in the  
4 employing unit. Upon timely notification to the commission, a  
5 benefit year may be established for the individual, if the  
6 individual meets all of the following conditions: (1) has earned  
7 20 credit weeks in the 52 consecutive calendar weeks preceding  
8 the week with respect to which the individual filed an  
9 application for benefits; (2) with respect to the week for which  
10 the individual is filing an application for benefits is  
11 unemployed, and meets all of the other requirements of section  
12 28; (3) with respect to the week for which the individual is  
13 filing an application for benefits the individual is not  
14 disqualified nor subject to disqualification, except in case of a  
15 labor dispute under section 29(8), with respect to the most  
16 recent period of employment with the most recent employer with  
17 whom the individual earned a credit week. If an individual files  
18 an application for a 7-day period as provided in section 27(c),  
19 the benefit year with respect to the individual shall begin with  
20 the calendar week which contains the first day of that 7-day  
21 period.

22 (h) For benefit years established on or after July 1, 1983,  
23 not more than 10 credit weeks based on services shall be used to  
24 pay benefits. For the purpose of calculating the individual's  
25 average weekly wage, all base period wages and credit weeks shall  
26 be used. With respect to benefit years beginning **ON OR** after ~~the~~  
27 ~~conversion date prescribed in section 75~~ **OCTOBER 1, 2000**, and

1 notwithstanding subsection ~~(a)~~ **(B)**, an individual ~~shall not be~~ **IS**  
2 **NOT** entitled to establish a benefit year based in whole or in  
3 part on wages earned in service, not otherwise excluded under  
4 section 43(g), in the employ of an employing unit in which more  
5 than 50% of the proprietary interest is owned by the individual  
6 or his or her son, daughter, spouse, or any combination of these  
7 individuals, or in which more than 50% of the proprietary  
8 interest is owned by the mother or father of a child under the  
9 age of 18, or mother and father combined, unless both the  
10 individual and the employer notify the commission, in response to  
11 the commission's request for information, of the individual's  
12 relationship to the owners of the proprietary interest in the  
13 employing unit. Upon timely notification to the commission, a  
14 benefit year may be established for the individual if the  
15 individual meets the requirements of subsection ~~(a)~~ **(B)**. If wages  
16 in an individual's base period were earned in service in the  
17 employ of such an employing unit, the individual's weekly benefit  
18 rate shall be calculated in accordance with section 27(b)(1) but  
19 the portion of the benefit rate attributable to this service  
20 shall be payable for not more than 7 weeks. The weekly benefit  
21 payment shall be reduced thereafter by the percentage of charge  
22 attributable to service with this employer, in accordance with  
23 section 20.

24       Sec. 48. (1) An individual shall be considered unemployed  
25 for any week during which he or she performs no services and for  
26 which remuneration is not payable to the individual, or for any  
27 week of less than full-time work if the remuneration payable to

1 the individual is less than **1-1/2 TIMES** his or her weekly benefit  
2 rate. However, any loss of remuneration incurred by an individual  
3 during any week resulting from any cause other than the failure  
4 of the individual's employing unit to furnish full-time, regular  
5 employment shall be included as remuneration earned for purposes  
6 of this section and section 27(c). The total amount of  
7 remuneration lost shall be determined pursuant to regulations  
8 prescribed by the ~~commission~~**UNEMPLOYMENT AGENCY**. For the  
9 purposes of this act, an individual's weekly benefit rate means  
10 the weekly benefit rate determined pursuant to section 27(b).

11 (2) All amounts paid to a claimant by an employing unit or  
12 former employing unit for a vacation or a holiday, and amounts  
13 paid in the form of retroactive pay, pay in lieu of notice,  
14 severance payments, salary continuation, or other remuneration  
15 intended by the employing unit as continuing wages or other  
16 monetary consideration as the result of the separation, excluding  
17 SUB payments as described in section 44, shall be considered  
18 remuneration in determining whether an individual is unemployed  
19 under this section and also in determining his or her benefit  
20 payments under section 27(c), for the period designated by the  
21 contract or agreement providing for the payment, or if there is  
22 no contractual specification of the period to which payments  
23 shall be allocated, then for the period designated by the  
24 employing unit or former employing unit. However, payments for a  
25 vacation or holiday, or the right to which has irrevocably  
26 vested, after 14 days following a vacation or holiday shall not  
27 be considered wages or remuneration within the meaning of this

1 section.

2 (3) An individual shall not be considered to be unemployed  
3 during any leave of absence from work granted by an employer  
4 either at the request of the individual or pursuant to an  
5 agreement with the individual's duly authorized bargaining agent,  
6 or in accordance with law. An individual shall neither be  
7 considered not unemployed nor on a leave of absence solely  
8 because the individual elects to be laid off, pursuant to an  
9 option provided under a collective bargaining agreement or  
10 written employer plan that permits an election, if there is a  
11 temporary layoff because of lack of work and the employer has  
12 consented to the election.

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

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

20 ~~—— (b) Subject to subdivisions (1) and (2), for benefit years~~  
21 ~~established before January 1, 1996, "credit week" means a~~  
22 ~~calendar week of an individual's base period during which the~~  
23 ~~individual earned wages equal to or greater than 20 times the~~  
24 ~~state minimum hourly wage in effect on the first day of the~~  
25 ~~calendar week in which the individual filed an application for~~  
26 ~~benefits. However, for benefit years established on or after~~  
27 ~~January 1, 1996 and before the conversion date prescribed in~~

1 ~~section 75, "credit week" means a calendar week of an~~  
2 ~~individual's base period during which the individual earned wages~~  
3 ~~equal to or greater than 30 times the state minimum hourly wage~~  
4 ~~in effect on the first day of the calendar week in which the~~  
5 ~~individual filed an application for benefits. This subsection is~~  
6 ~~subject to the following:~~

7 ~~—— (1) If an individual earns wages from more than 1 employer~~  
8 ~~in a credit week, that week shall be counted as 1 multiemployer~~  
9 ~~credit week and shall be governed by the provisions of section~~  
10 ~~20(c), unless the individual has earned sufficient wages in the~~  
11 ~~base period with only 1 of the employers for whom the individual~~  
12 ~~performed services in the week of concurrent employment to~~  
13 ~~entitle the individual to a maximum weekly benefit rate, in which~~  
14 ~~case, the week shall be a credit week with respect to that~~  
15 ~~employer only and not a multiemployer credit week.~~

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

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

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

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

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

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

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

22 ~~—— (4) There shall not be counted toward the wages required to~~  
23 ~~establish a credit week under this subsection payments in the~~  
24 ~~form of termination, separation, severance, or dismissal~~  
25 ~~allowances, or any payments for a vacation or a holiday unless~~  
26 ~~the payment has been made, or the right to receive it has~~  
27 ~~irrevocably vested, within 14 days following the vacation or~~

1 holiday.

2           Sec. 54. (a) A person, **INCLUDING A CLAIMANT FOR UNEMPLOYMENT**  
3 **BENEFITS, AN EMPLOYING ENTITY, OR AN OWNER, DIRECTOR, OR OFFICER**  
4 **OF AN EMPLOYING ENTITY**, who willfully violates or intentionally  
5 fails to comply with any of the provisions of this act, or a  
6 regulation of the unemployment agency promulgated under the  
7 authority of this act for which a penalty is not otherwise  
8 provided by this act is subject to the following sanctions,  
9 notwithstanding any other statute of this state or of the United  
10 States:

11           (i) If the unemployment agency determines that an amount has  
12 been obtained or withheld as a result of the intentional failure  
13 to comply with this act, the unemployment agency may recover the  
14 amount obtained as a result of the intentional failure to comply  
15 plus damages equal to 3 times that amount.

16           (ii) The unemployment agency may refer the matter to the  
17 prosecuting attorney of the county in which the alleged violation  
18 occurred for prosecution. If the unemployment agency has not made  
19 its own determination under subdivision (i), the recovery sought  
20 by the prosecutor shall include the amount described in  
21 subdivision (i) and shall also include 1 or more of the following  
22 penalties:

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

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

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

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

5 (B) If the amount obtained or withheld from payment as a  
6 result of the intentional failure to comply is \$25,000.00 or more  
7 but less than \$100,000.00, 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 amount obtained or withheld from payment as a  
14 result of the intentional failure to comply is more than  
15 \$100,000.00, then 1 of the following:

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

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

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

21 (iii) If the unemployment agency determines that an amount has  
22 been obtained or withheld as a result of a knowing violation of  
23 this act, the unemployment agency may recover the amount obtained  
24 as a result of the knowing violation and may also recover damages  
25 equal to 3 times that amount.

26 (iv) The unemployment agency may refer a matter under  
27 subdivision (iii) to the prosecuting attorney of the county in

1 which the alleged violation occurred for prosecution. If the  
2 unemployment agency has not made its own determination under  
3 subdivision (iii), the recovery sought by the prosecutor shall  
4 include the amount described in subdivision (iii) and shall also  
5 include 1 or more of the following penalties:

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

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

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

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

15 (B) If the amount obtained or withheld from payment as a  
16 result of the knowing violation is more than \$100,000.00, then 1  
17 of the following:

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

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

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

23 (b) Any employing unit or an **OWNER, DIRECTOR, officer, or**  
24 agent of an employing unit, a claimant, an employee of the  
25 unemployment agency, or any other person who makes a false  
26 statement or representation knowing it to be false, or knowingly  
27 and willfully with intent to defraud fails to disclose a material

1 fact, to obtain or increase a benefit or other payment under this  
2 act or under the unemployment compensation law of any state or of  
3 the federal government, either for himself or herself or any  
4 other person, to prevent or reduce the payment of benefits to an  
5 individual entitled thereto or to avoid becoming or remaining a  
6 subject employer, or to avoid or reduce a contribution or other  
7 payment required from an employing unit under this act or under  
8 the unemployment compensation law of any state or of the federal  
9 government, as applicable, is subject to administrative fines and  
10 is punishable as follows, notwithstanding any other penalties  
11 imposed under any other statute of this state or of the United  
12 States:

13       (i) If the amount obtained as a result of the knowing false  
14 statement or representation or the knowing and willful failure to  
15 disclose a material fact is less than \$500.00, the unemployment  
16 agency may recover the amount obtained as a result of the knowing  
17 false statement or representation or the knowing and willful  
18 failure to disclose a material fact and may also recover damages  
19 equal to 2 times that amount. For a second or subsequent  
20 violation described in this subdivision, the unemployment agency  
21 may recover damages equal to 4 times the amount obtained.

22       (ii) If the amount obtained as a result of the knowing false  
23 statement or representation or the knowing and willful failure to  
24 disclose a material fact is \$500.00 or more, the unemployment  
25 agency shall attempt to recover the amount obtained as a result  
26 of the knowing false statement or representation or the knowing  
27 and willful failure to disclose a material fact and may also

1 recover damages equal to 4 times that amount. The unemployment  
2 agency may refer the matter to the prosecuting attorney of the  
3 county in which the alleged violation occurred for prosecution.  
4 If the unemployment agency has not made its own determination  
5 under this subdivision, the recovery sought by the prosecutor  
6 shall include the amount described in this subdivision and shall  
7 also include 1 or more of the following penalties if the amount  
8 obtained is \$1,000.00 or more:

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

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

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

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

19 (B) If the amount obtained or withheld from payment as a  
20 result of the knowing false statement or representation or the  
21 knowing and willful failure to disclose a material fact is  
22 \$25,000.00 or more, then 1 of the following:

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

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

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

1 (C) If the knowing false statement or representation or the  
2 knowing and willful failure to disclose a material fact made to  
3 obtain or withhold an amount from payment does not result in a  
4 loss to the commission, then a recovery shall be sought equal to  
5 3 times the amount that would have been obtained by the knowing  
6 false statement or representation or the knowing and willful  
7 failure to disclose a material fact, but not less than \$1,000.00,  
8 and 1 of the following:

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

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

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

14 (c) (1) Any employing unit or an **OWNER, DIRECTOR**, officer,  
15 or agent of an employing unit or any other person failing to  
16 submit, when due, any contribution report, wage and employment  
17 report, or other reports lawfully prescribed and required by the  
18 unemployment agency shall be subject to the assessment of an  
19 administrative fine for each report not submitted within the time  
20 prescribed by the unemployment agency, as follows: In the case of  
21 contribution reports not received within 10 days after the end of  
22 the reporting month the fine shall be 10% of the contributions  
23 due on the reports but not less than \$5.00 or more than \$25.00  
24 for a report. However, if the tenth day falls on a Saturday,  
25 Sunday, legal holiday, or other unemployment agency nonwork day,  
26 the 10-day period shall run until the end of the next day which  
27 is not a Saturday, Sunday, legal holiday, or other unemployment

1 agency nonwork day. In the case of all other reports referred to  
2 in this subsection, the fine shall be \$10.00 for a report.

3 (2) Notwithstanding subdivision (1), any employer or an  
4 **OWNER, DIRECTOR, officer, or agent of an employer or any other**  
5 person failing to submit, when due, any quarterly wage detail  
6 report required by section 13(2), **OR SUBMITTING AN INCOMPLETE OR**  
7 **ERRONEOUS REPORT**, is subject to an administrative fine of ~~\$25.00~~  
8 **\$50.00** for each untimely report, **INCOMPLETE REPORT, OR ERRONEOUS**  
9 **REPORT IF THE REPORT IS FILED NOT LATER THAN 30 DAYS AFTER THE**  
10 **DATE THE REPORT IS DUE, \$250.00 IF THE REPORT IS FILED MORE THAN**  
11 **1 CALENDAR QUARTER AFTER THE DATE THE REPORT IS DUE, AND AN**  
12 **ADDITIONAL \$250.00 FOR EACH ADDITIONAL CALENDAR QUARTER THAT THE**  
13 **REPORT IS LATE, EXCEPT THAT NO PENALTY SHALL APPLY IF THE**  
14 **EMPLOYER FILES A CORRECTED REPORT WITHIN 14 DAYS AFTER**  
15 **NOTIFICATION OF AN ERROR BY THE AGENCY.**

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

23 (d) If any employee or agent of the unemployment agency or  
24 member of the appeal board willfully discloses confidential  
25 information obtained from any employing unit or individual in the  
26 administration of this act for any purpose inconsistent with or  
27 contrary to the purposes of this act, or a person who obtains a

1 list of applicants for work or of claimants or recipients of  
2 benefits under this act uses or permits use of that list for a  
3 political purpose or for a purpose inconsistent with or contrary  
4 to the purposes of this act, he or she is guilty of a misdemeanor  
5 punishable by imprisonment for not more than 90 days or a fine of  
6 not more than \$1,000.00, or both. Notwithstanding the preceding  
7 sentence, if any unemployment agency employee, agent of the  
8 unemployment agency, or member of the board of review knowingly,  
9 intentionally, and for financial gain, makes an illegal  
10 disclosure of confidential information obtained under section  
11 13(2), he or she is guilty of a felony, punishable by  
12 imprisonment for not more than 1 year and 1 day.

13 (e) A person who, without proper authority from the  
14 unemployment agency, represents himself or herself to be an  
15 employee of the unemployment agency for the purpose of securing  
16 information regarding the unemployment or employment record of an  
17 individual is guilty of a misdemeanor punishable by imprisonment  
18 for not more than 90 days or a fine of not more than \$1,000.00,  
19 or both.

20 (f) A person associated with a college, university, or  
21 public agency of this state who makes use of any information  
22 obtained from the unemployment agency in connection with a  
23 research project of a public service nature, in a manner as to  
24 reveal the identity of any individual or employing unit from or  
25 concerning whom the information was obtained by the unemployment  
26 agency, or for any purpose other than use in connection with that  
27 research project, is guilty of a misdemeanor punishable by

1 imprisonment for not more than 90 days or a fine of not more than  
2 \$1,000.00, or both.

3 (g) As used in this section, "person" includes an  
4 individual; ~~OWNER, DIRECTOR, OR OFFICER OF AN EMPLOYING ENTITY;~~  
5 copartnership; ~~joint venture;~~ ~~corporation;~~ ~~receiver;~~ ~~or~~  
6 trustee in bankruptcy.

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

10 (i) If a determination is made that an individual has  
11 violated this section, the individual is subject to the sanctions  
12 of this section and, if applicable, the requirements of section  
13 62.

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

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

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

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

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

13           (M) A PERSON WHO OBTAINS OR WITHHOLDS AN AMOUNT OF  
14 UNEMPLOYMENT BENEFITS OR PAYMENTS EXCEEDING \$3,500.00 BUT LESS  
15 THAN \$25,000.00 AS A RESULT OF A KNOWING FALSE STATEMENT OR  
16 REPRESENTATION OR THE KNOWING AND WILLFUL FAILURE TO DISCLOSE A  
17 MATERIAL FACT IS GUILTY OF A FELONY PUNISHABLE AS PROVIDED IN  
18 SECTION (A) (ii) (A) OR (iv) (A) OR SECTION (B) (ii) (A) .

19           Sec. 62. (a) If the unemployment agency determines that a  
20 person has obtained benefits to which that person is not  
21 entitled, it may recover a sum equal to the amount received plus  
22 interest by 1 or more of the following methods: deduction from  
23 benefits or wages payable to the individual, payment by the  
24 individual in cash, or deduction from a tax refund payable to the  
25 individual as provided under section 30a of 1941 PA 122, MCL  
26 205.30a. Deduction from benefits or wages payable to the  
27 individual is limited to not more than ~~20%~~50% of each payment

1 due the claimant. **THE UNEMPLOYMENT AGENCY SHALL ISSUE A**  
2 **DETERMINATION REQUIRING RESTITUTION WITHIN 3 YEARS AFTER THE DATE**  
3 **OF FINALITY OF A DETERMINATION, REDETERMINATION, OR DECISION**  
4 **REVERSING A PREVIOUS FINDING OF BENEFIT ENTITLEMENT.** The  
5 unemployment agency shall not **INITIATE ADMINISTRATIVE OR COURT**  
6 **ACTION TO** recover improperly paid benefits from an individual  
7 more than 3 years ~~, or more than 6 years in the case of a~~  
8 ~~violation of section 54(a) or (b) or sections 54a to 54c,~~ after  
9 the date ~~of~~ **THAT THE LAST DETERMINATION, REDETERMINATION, OR**  
10 **DECISION ESTABLISHING RESTITUTION IS FINAL. THE UNEMPLOYMENT**  
11 **AGENCY SHALL ISSUE A DETERMINATION ON AN ISSUE WITHIN 3 YEARS**  
12 **FROM THE DATE THE CLAIMANT FIRST RECEIVED BENEFITS IN THE BENEFIT**  
13 **YEAR IN WHICH THE ISSUE AROSE, OR IN THE CASE OF AN ISSUE OF**  
14 **INTENTIONAL FALSE STATEMENT, MISREPRESENTATION, OR CONCEALMENT OF**  
15 **MATERIAL INFORMATION IN VIOLATION OF SECTION 54(A) OR (B) OR**  
16 **SECTIONS 54A TO 54C, WITHIN 6 YEARS AFTER THE** receipt of the  
17 improperly paid benefits unless the unemployment agency filed a  
18 civil action in a court within the 3-year or 6-year period; the  
19 individual made an intentional false statement,  
20 misrepresentation, or concealment of material information to  
21 obtain the benefits; or the unemployment agency issued a  
22 determination requiring restitution within the 3-year or 6-year  
23 period. Except in a case of an intentional false statement,  
24 misrepresentation, or concealment of material information, the  
25 unemployment agency may waive recovery of an improperly paid  
26 benefit if the payment was not the fault of the individual and if  
27 repayment would be contrary to equity and good conscience and

1 shall waive any interest. **IF THE AGENCY OR AN APPELLATE AUTHORITY**  
2 **WAIVES COLLECTION OF RESTITUTION AND INTEREST, THE WAIVER IS**  
3 **PROSPECTIVE AND DOES NOT APPLY TO RESTITUTION AND INTEREST**  
4 **PAYMENTS ALREADY MADE BY THE INDIVIDUAL.**

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

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

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

27 (d) The unemployment agency shall take the action necessary

1 to recover all benefits improperly obtained or paid under this  
2 act, and to enforce all interest and penalties under subsection  
3 (b). **THE UNEMPLOYMENT AGENCY MAY CONDUCT AN AMNESTY PROGRAM FOR A**  
4 **DESIGNATED PERIOD UNDER WHICH PENALTIES AND INTEREST ASSESSED**  
5 **AGAINST AN INDIVIDUAL OWING RESTITUTION FOR IMPROPERLY PAID**  
6 **BENEFITS MAY BE WAIVED IF THE INDIVIDUAL PAYS THE FULL AMOUNT OF**  
7 **RESTITUTION OWING WITHIN THE SPECIFIED DESIGNATED PERIOD.**

8 (e) Interest recovered under this section shall be deposited  
9 in the special fraud control fund created in section 10.

10 Sec. 64. (1)(a) Payment of extended benefits under this  
11 section shall be made at the individual's weekly extended benefit  
12 rate, for any week of unemployment that begins in the  
13 individual's eligibility period, to each individual who is fully  
14 eligible and not disqualified under this act, who has exhausted  
15 all rights to regular benefits under this act, who is not seeking  
16 or receiving benefits with respect to that week under the  
17 unemployment compensation law of Canada, and who does not have  
18 rights to benefits under the unemployment compensation law of any  
19 other state or the United States or to compensation or allowances  
20 under any other federal law, such as the trade expansion act, the  
21 automotive products trade act, or the railroad unemployment  
22 insurance act; however, if the individual is seeking benefits and  
23 the appropriate agency finally determines that the individual is  
24 not entitled to benefits under another law, the individual shall  
25 be considered to have exhausted the right to benefits. For the  
26 purpose of the preceding sentence, an individual shall have  
27 exhausted the right to regular benefits under this section with

1 respect to any week of unemployment in the individual's  
2 eligibility period under either of the following circumstances:

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

7       (ii) When the right to the benefits has terminated before  
8 that week by reason of the expiration or termination of the  
9 benefit year with respect to which the right existed; and the  
10 individual has no, or insufficient, wages or employment to  
11 establish a new benefit year. However, for purposes of this  
12 subsection, an individual shall be considered to have exhausted  
13 the right to regular benefits with respect to any week of  
14 unemployment in his or her eligibility period when the individual  
15 may become entitled to regular benefits with respect to that week  
16 or future weeks, but the benefits are not payable at the time the  
17 individual claims extended benefits because final action on a  
18 pending redetermination or on an appeal has not yet been taken  
19 with respect to eligibility or qualification for the regular  
20 benefits or when the individual may be entitled to regular  
21 benefits with respect to future weeks of unemployment, but  
22 regular benefits are not payable with respect to any week of  
23 unemployment in his or her eligibility period by reason of  
24 seasonal limitations in any state unemployment compensation law.

25       (b) Except where inconsistent with the provisions of this  
26 section, the terms and conditions of this act that apply to  
27 claims for regular benefits and to the payment of those benefits

1 apply to claims for extended benefits and to the payment of those  
2 benefits.

3 (c) An individual shall not be paid additional compensation  
4 and extended compensation with respect to the same week. If an  
5 individual is potentially eligible for both types of compensation  
6 in this state with respect to the same week, the ~~bureau~~  
7 **UNEMPLOYMENT AGENCY** may pay extended compensation instead of  
8 additional compensation with respect to the week. If an  
9 individual is potentially eligible for extended compensation in 1  
10 state and potentially eligible for additional compensation for  
11 the same week in another state, the individual may elect which of  
12 the 2 types of compensation to claim.

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

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

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

21 (ii) Thirteen times the individual's weekly extended benefit  
22 rate.

23 (b) With respect to a week beginning in a period in which  
24 the average rate of total unemployment as described in subsection  
25 (5)(c)(ii) equals or exceeds 8%, but no later than the end of the  
26 week in which extended benefits payable under this section cease  
27 to be funded under section 2005 of the American recovery and

1 reinvestment act of 2009, Public Law 111-5, whichever of the  
2 following is smaller:

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

5 (ii) Twenty times the individual's weekly extended benefit  
6 rate.

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

11 (3) All of the following apply to an extended benefit  
12 period:

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

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

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

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

21 (c) The period is at least 13 consecutive weeks long, and  
22 does not begin by reason of a Michigan "on" indicator before the  
23 fourteenth week after the close of a prior extended benefit  
24 period under this section. However, an extended benefit period  
25 terminates with the week preceding the week for which no extended  
26 benefit payments are considered to be shareable compensation  
27 under the federal-state extended unemployment compensation act of

1 1970, section 3304 nt of the internal revenue code of 1986, 26  
2 USC 3304 nt.

3 (4) An individual's "eligibility period" consists of the  
4 weeks in his or her benefit year that begin in an extended  
5 benefit period, and if his or her benefit year ends within the  
6 extended benefit period, any weeks thereafter that begin in the  
7 period.

8 (5) (a) With respect to weeks beginning after September 25,  
9 1982, a national "on" indicator for a week shall be determined by  
10 the United States secretary of labor.

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

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

15 (i) The rate of insured unemployment under this act for the  
16 period consisting of that week and the immediately preceding 12  
17 weeks equaled or exceeded 120% of the average of the insured  
18 unemployment rates for the corresponding 13-week period ending in  
19 each of the preceding 2 calendar years, and equaled or exceeded  
20 5%. With respect to compensation for each week of unemployment  
21 beginning after December 17, 2010 and ending December 31, 2011,  
22 the rate of insured unemployment under this act for the period  
23 consisting of that week and the immediately preceding 12 weeks  
24 equaled or exceeded 120% of the average of the insured  
25 unemployment rates for the corresponding 13-week period ending in  
26 each of the preceding 3 calendar years, and equaled or exceeded  
27 5%.

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

11           (A) Six and one-half percent.

12           (B) One hundred ten percent of the average rate of total  
13 unemployment in this state, seasonally adjusted, for the period  
14 consisting of the corresponding 3-month period in any or all of  
15 the preceding 3 calendar years.

16           (d) There is a Michigan "off" indicator for a week if, for  
17 the period consisting of that week and the immediately preceding  
18 12 weeks, either subdivision (c) (i) or (c) (ii) was not satisfied.  
19 Notwithstanding any other provision of this act, if this state is  
20 in a period in which temporary extended unemployment compensation  
21 is payable in this state under title II of the job creation and  
22 worker assistance act of 2002, Public Law 107-147, or another  
23 similar federal law, and if the governor has the authority under  
24 that federal act or another similar federal law, then the  
25 governor may elect to trigger "off" the Michigan indicator for  
26 extended benefits under this act only for a period in which  
27 temporary extended unemployment compensation is payable in this

1 state, if the election by the governor would not result in a  
2 decrease in the number of weeks of unemployment benefits payable  
3 to an individual under this act or under federal law.

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

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

11 (i) The average weekly number of individuals filing claims  
12 for regular benefits for weeks of unemployment with respect to  
13 the specified period as determined on the basis of the reports  
14 made by all state agencies or, in the case of subdivisions (c)  
15 and (d), by the ~~bureau~~**UNEMPLOYMENT AGENCY**, to the federal  
16 government; by

17 (ii) In the case of subdivisions (c) and (d), the average  
18 monthly covered employment under this act for the specified  
19 period.

20 (g) Calculations under subdivisions (c) and (d) shall be  
21 made by the ~~bureau~~**UNEMPLOYMENT AGENCY** and shall conform to  
22 regulations, if any, prescribed by the United States secretary of  
23 labor under section 3304 nt of the internal revenue code of 1986,  
24 26 USC 3304 nt.

25 (6) As used in this section:

26 (a) "Regular benefits" means benefits payable to an  
27 individual under this act and, unless otherwise expressly

1 provided, under any other state unemployment compensation law,  
2 including unemployment benefits payable pursuant to 5 USC 8501 to  
3 8525, other than extended benefits, and other than additional  
4 benefits which includes training benefits under section 27(g).

5 (b) "Extended benefits" means benefits, including additional  
6 benefits and unemployment benefits payable pursuant to 5 USC 8501  
7 to 8525, payable for weeks of unemployment beginning in an  
8 extended benefit period to an individual as provided under this  
9 section.

10 (c) "Additional benefits" means benefits totally financed by  
11 a state and payable to exhaustees by reason of conditions of high  
12 unemployment or by reason of other special factors under the  
13 provisions of any state law as well as training benefits paid  
14 under section 27(g) with respect to an extended benefit period.

15 (d) "Weekly extended benefit rate" means an amount equal to  
16 the amount of regular benefits payable under this act to an  
17 individual within the individual's benefit year for a week of  
18 total unemployment, unless the individual had more than 1 weekly  
19 extended benefit rate within that benefit year, in which case the  
20 individual's weekly extended benefit rate shall be computed by  
21 dividing the maximum amount of regular benefits payable under  
22 this act within that benefit year by the number of weeks for  
23 which benefits were payable, adjusted to the next lower multiple  
24 of \$1.00.

25 (e) "Benefits payable" includes all benefits computed in  
26 accordance with section 27(d), irrespective of whether the  
27 individual was otherwise eligible for the benefits within his or

1 her current benefit year and irrespective of any benefit  
2 reduction by reason of a disqualification that required a  
3 reduction.

4 (7) (a) Notwithstanding the provisions of subsection (1)(b),  
5 an individual is ineligible for payment of extended benefits for  
6 any week of unemployment if the ~~bureau~~**UNEMPLOYMENT AGENCY** finds  
7 that during that period either of the following occurred:

8 (i) The individual failed to accept any offer of suitable  
9 work or failed to apply for any suitable work to which the  
10 individual was referred by the ~~bureau~~**UNEMPLOYMENT AGENCY**.

11 (ii) The individual failed to actively engage in seeking work  
12 as described in subdivision (f).

13 (b) Any individual who has been found ineligible for  
14 extended benefits under subdivision (a) shall also be denied  
15 benefits beginning with the first day of the week following the  
16 week in which the failure occurred and until the individual has  
17 been employed in each of 4 subsequent weeks, whether or not  
18 consecutive, and has earned remuneration equal to not less than 4  
19 times the extended weekly benefit amount, as determined under  
20 subsection (2).

21 (c) As used in this subsection, "suitable work" means, with  
22 respect to any individual, any work that is within that  
23 individual's capabilities, if both of the following apply:

24 (i) The gross weekly remuneration payable for the work  
25 exceeds the sum of the following:

26 (A) The individual's extended weekly benefit amount as  
27 determined under subsection (2).

1 (B) The amount, if any, of supplemental unemployment  
2 compensation benefits, as defined in section 501(c)(17)(D) of the  
3 internal revenue code of 1986, 26 USC 501(c)(17)(D), payable to  
4 the individual for that week.

5 (ii) The employer pays wages not less than the higher of the  
6 minimum wage provided by section 6(a)(1) of the fair labor  
7 standards act of 1938, 29 USC 206(a)(1), without regard to any  
8 exemption, or the applicable state or local minimum wage.

9 (d) An individual shall not be denied extended benefits for  
10 failure to accept an offer of, or apply for, any job that meets  
11 the definition of suitable work in subdivision (c) if 1 or more  
12 of the following are true:

13 (i) The position was not offered to the individual in writing  
14 and was not listed with the state employment service.

15 (ii) The failure could not result in a denial of benefits  
16 under the definition of suitable work in section 29(6) to the  
17 extent that the criteria of suitability in that section are not  
18 inconsistent with the provisions of subdivision (c).

19 (iii) The individual furnishes satisfactory evidence to the  
20 ~~bureau~~ **UNEMPLOYMENT AGENCY** that his or her prospects for  
21 obtaining work in his or her customary occupation within a  
22 reasonably short period are good. If that evidence is deemed  
23 satisfactory for this purpose, the determination of whether any  
24 work is suitable with respect to that individual shall be made in  
25 accordance with the definition of suitable work in section 29(6)  
26 without regard to the definition in subdivision (c).

27 (e) Notwithstanding subsection (1)(b), work is not suitable

1 work for an individual if the work does not meet the labor  
2 standard provisions required by section 3304(a)(5) of the  
3 internal revenue code of 1986, 26 USC 3304(a)(5), and section  
4 29(7).

5 (f) For the purposes of subdivision (a)(ii), an individual is  
6 actively engaged in seeking work during any week if both of the  
7 following are true:

8 (i) The individual has engaged in a systematic and sustained  
9 effort to obtain work during that week.

10 (ii) The individual furnishes tangible evidence to the ~~bureau~~  
11 **UNEMPLOYMENT AGENCY** that he or she has engaged in a systematic  
12 and sustained effort during that week.

13 (g) The ~~bureau~~**UNEMPLOYMENT AGENCY** shall refer any applicant  
14 for extended benefits to any suitable work that meets the  
15 criteria prescribed in subdivisions (c) and (d).

16 (h) An individual is not eligible to receive extended  
17 benefits with respect to any week of unemployment in his or her  
18 eligibility period if that individual has been disqualified for  
19 benefits under this act because he or she voluntarily left work,  
20 was discharged for misconduct, or failed to accept an offer of or  
21 apply for suitable work unless the individual requalified in  
22 accordance with a specific provision of this act requiring that  
23 the individual be employed subsequent to the week in which the  
24 act or discharge occurred that caused the disqualification.

25 (8) (a) Except as provided in subdivision (b), payment of  
26 extended benefits shall not be made to any individual for any  
27 week of unemployment that otherwise would have been payable

1 pursuant to an interstate claim filed in any state under the  
2 interstate benefit payment plan, if an extended benefit period is  
3 not in effect for the week in the state in which the interstate  
4 claim is filed.

5 (b) Subdivision (a) does not apply with respect to the first  
6 2 weeks for which extended benefits are payable, pursuant to an  
7 interstate claim, to the individual from the extended benefit  
8 account established for the individual.

9 (9) Notwithstanding the provisions of subsection (1)(b), an  
10 individual who established a benefit year under section ~~46a~~46 on  
11 or after January 2, 1983, shall be eligible to receive extended  
12 benefits only if the individual earned wages in an amount  
13 exceeding 40 times the individual's most recent weekly benefit  
14 rate during the base period of the benefit year that is used to  
15 establish the individual's extended benefit account under  
16 subsection (2).

17 (10) This subsection is effective for weeks of unemployment  
18 beginning after October 30, 1982. Notwithstanding any other  
19 provision of this section, an individual's extended benefit  
20 entitlement, with respect to weeks of unemployment beginning  
21 after the end of the benefit year, shall be reduced, but not  
22 below zero, by the product of the number of weeks for which the  
23 individual received any amounts of trade readjustment allowances,  
24 paid under the trade act of 1974, Public Law 93-618, within that  
25 benefit year, multiplied by the individual's weekly benefit  
26 amount for extended benefits.

27 Enacting section 1. Sections 35 and 36 of 1936 (Ex Sess) PA

1 1, MCL 421.35 and 421.36, are repealed.