Michigan Employment Security Act
Reform Summary
SB 806 - Amendment

Revision Date: November 30, 2011

MES Act Section/Bill Pg. #	Effect on Current Law	New Language *	What it does
Sec. 6a Pg. 3, lines 1-4	Re-instate the language stricken on lines 1though 4.	None	Clarifies that information contained in computer generated re-printed documents is admissible evidence if the information from the original would have been considered admissible.
Sec. 6a Pg. 3, line 1, after "courts"	Adds new language	**Electronically stored records shall be retained for at least the duration the original records were required to be retained.**	Clarifies how long electronic records need to be retained.
Sec. 10(7), (8), (9) Pg. 7 lines 10-27 Pg. 8 lines 1-10	Strikes 3 subsections	**None**	Abolishes the Special Fraud Control Fund that was created within the contingent fund. Penalty and interest will go into the contingent fund, and any and all other restitution will go into the UTF.
Sec. 11(b)(4) Lines 5 and 6	Add additional language	11(b)(4) Upon request accompanied by presentation of a consent to the release of information signed by an individual, the commission shall disclose to the United States department of housing and urban development, any state or local public housing agency, **or any entity contracting with a state or local public housing agency to provide public housing,** responsible for verifying an applicant or participants eligibility for, or level of benefits in, any housing assistance program administered by the United States department of housing and urban development…	Allows information to be released to HUD or agencies that responsible for verifying an applicant's eligibility for housing assistance.
Sec. 13(3) Pg. 28, line 21	Adds additional language to the new subsection	**(3)The agency shall allow a contributing employer that employed 25 or fewer individuals *during the pay period containing the 12th day of the month of January,* and during that pay period in each succeeding calendar year, that incurred 50% or more of the employer's total previous year's contributing obligation…** ***(Emphasis added to show the change)***	Clarifies that the employer must meet the provision of 25 or fewer employees on January 1 each year to qualify for the distribution of 1st quarter contributions over the 4 quarters in that year.
Sec. 15 Pg. 32, line 8 Pg. 32	Add language	Before the letter **(a) Notwithstanding any other provision of this act, interest shall not be assessed against a penalty imposed under this act.**	No interest will be applied to penalties

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Lines 15-20	Deletes language	*Delete language lines 15-20 and the words "agency" on line 21.*	
Pg. 32 Lines 24-27	Deletes language	*On line 24 after the word "fund" change the comma to a period. Delete lines 26 and 27 ending after the word "fund"*	Interest and penalty collected under section 62 will be paid to the contingent fund instead of the special fraud control fund.
ec. 15(b) Pg. 33, lines 17, 18	Deletes words	*Delete the words "and interest on those penalties"*	
Sec. 15 Pg. 37, line 24	Name change only	Delete "referee" and insert **"Administrative Law Judge"** Delete "appeal board and insert **"Michigan Compensation Appellate Commission"**	Updates Act for consistency.
Sec. 15(m)(n) Pg. 43 and 44 ***Subsections (p) and (q) not included in SB 806 as indicated in the main summary.***	***Replaces the language in SB 806***	**(m) In addition to the restitution recoupment methods provided in section 62, the unemployment agency may obtain restitution due from a claimant as a result of a benefit overpayment that has become final by any of the following methods:** **(1) Levy of a bank account belonging to the claimant,** **(2) Entry into a wage assignment with the claimant, or** **(3) Issuance of an administrative garnishment of the wages of the claimant.** **(n) To obtain an administrative garnishment, the agency shall notify the claimant of both of the following: the intention to issue an administrative garnishment on the claimant's employer and the amount determined due from the claimant. The notice shall include a demand for immediate payment of the amount due, a statement that it is not subject to appeal, and a statement that the claimant may, within 30 days of the issuance of the notice, object to the garnishment by providing information to the unemployment agency,**	(m) Allows a levy on bank account, and entry into wage assignment with claimant, or administrative garnishment of claimant wages. (n) Defines the process in which the UIA must follow to issue an administrative garnishment, and requirements the employer must follow if issued a notice to withhold and remit wages.

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		with supporting documentation, that the claimant does not owe the stated amount of restitution. Not less than 30 days after the issuance of the notice to the claimant, the unemployment agency shall notify the claimant's employer to withhold from earnings due or to become due from the claimant the amount shown on the notice plus accrued interest. The employer shall comply with the notice to withhold and shall continue to withhold each pay period the amount shown on the notice plus accrued interest until the garnishment amount plus accrued interest has been satisfied and the notice is released by the unemployment agency. **The administrative garnishment by the agency has priority over any subsequent garnishments. The amount subject to garnishment for any pay period shall be decreased by any other irrevocable and previously effective assignment of wages or other garnishment action served on the employer before service of the unemployment agency's garnishment notice on the employer. The amount of the unemployment agency's garnishment shall not exceed 25% of the balance.** **In response to the administrative garnishment, the employee shall do all of the following:** **(1) Notify the unemployment agency of the amounts of any irrevocable and previously effective assignment of wages within 10 calendar days of the date of the unemployment agency's notice to withhold wages.** **(2) Remit to the unemployment agency the amount withheld pursuant to the administrative garnishment within 10 days after the end of each pay period in which wages are required under the administrative garnishment to be withheld.** **(3) Notify the unemployment agency within 10 days**	

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		after the date on which the claimant ceases to be employed by the employer.	
Sec. 19(a)(3)(*i*) Pg. 57, beginning at line 9	Insert additional new language. Inadvertently left out. Shortens the look-back period for when calculating the chargeable benefits component of the tax rate.	19(a)(3)(*i*) **For calendar years beginning before January 1, 2012, the** chargeable benefits component of an employer's contribution rate is the percentage determined by dividing: the total amount of benefits charged to the employer's experience account within the lesser of 60 consecutive months ending on the computation date or the number of consecutive months ending on the computation date with respect to which the employer has been continuously liable for contributions; by the amount of wages, subject to contributions, paid by the employer within the same period. If the resulting quotient is not an exact multiple of 1/10 of 1%, it shall be increased to the next higher multiple of 1/10 of 1%. **For calendar year 2012, the chargeable benefits component of an employer's contribution rate is the percentage determined by dividing: the total amount of benefits charged to the employer's experience account within the lesser of 48 consecutive months ending on the computation date or the number of consecutive months ending on the computation date with respect to which the employer has been continuously liable for contributions; by the amount of wages, subject to contributions, paid by the employer within the same period. If the resulting quotient is not an exact multiple of 1/10 of 1%, it shall be increased to the next higher multiple of 1/10 of 1%. For calendar years beginning on and after January 1, 2013, the chargeable benefits component of an employer's contribution rate is the percentage determined by dividing: the total amount of benefits charge to the employer's experience account within the lesser of 36 consecutive months ending on the computation date or the number of consecutive months ending on the computation**	This language was inserted to shorten the look-back period of the Chargeable Benefits Component of the tax rate calculation. For the remainder of 2011: $\frac{\text{60 months of benefits charged}}{\text{60 months of taxable payroll}} = \text{CBC}$ For 2012: $\frac{\text{48 months of benefits charged}}{\text{48 months of taxable payroll}} = \text{CBC}$ For 2013: $\frac{\text{36 months of benefits charged}}{\text{36 months of taxable payroll}} = \text{CBC}$ The quotient is rounded up to the next higher 1/10 of 1%

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		date with respect to which the employer has been continuously liable for contributions; by the amount of wages, subject to contributions, paid by the employer within the same period. If the resulting quotient is not an exact multiple of 1/10 of 1%, it shall be increased to the next higher multiple of 1/10 of 1%.	
Sec. 21 Pg. 91, line 12	Name change only	Delete "referee" and insert **"Administrative Law Judge"**	
Sec. 27 Pg. 111, lines 24, 27	Name change only	Delete "commission" and insert **"unemployment agency"**	Update for consistency
Sec. 28(1)(c)(*ii*) and (*iii*) Pg. 122, line 9, line 16	Adds "good cause" language	***(ii)* The individual fails *without good cause* to respond to the unemployment agency within 14 calendar days of the later of the mailing of a notice to eh address of record requiring the individual to contact the unemployment agency or of the leafing of a telephone message requesting a return call and providing a return name and telephone number on an automated answering device or with an individual answering the telephone number of record.** ***(iii) Unless the claimant shows good cause*, mail sent to the individual's address or record is returned as undeliverable and the telephone number of record has been disconnected or changed or is otherwise no longer associated with the individual.** ***(Emphasis add to show the additional language)***	Allows the claimant to show good cause to remove their ineligibility for failure to respond to the UIA when called or mail sent goes unanswered
Sec. 29(a)(*iii*) Pg. 127, line 124 through Pg. 128 line 4	Replace current language in SB 806	***(iii)* The individual is concurrently working part-time for an employer or employing unit and full-time for another employer or employing unit and voluntarily leaves the part-time work *and* continues the full-time**	When an individual quits a part-time job for any reason and continues to work their full-time job, but later loses their full-time job through no fault of their own, they would not

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		work. ***The portion of the benefits paid in accordance with this subdivision that would otherwise be charged to the account of the part-time employer the individual left shall not be charge to the account of the part-time employer the individual left but shall be charged instead to the nonchargeable benefits account.*** ***(Emphasis added to show change)***	be disqualified due to voluntarily leaving. The benefits that would be charged to the part-time employer would be charged to the non-chargeable benefits account.
Sec. 29(4)(c) Pg. 136, line 24	Change back to current text.	Delete "**or (n)**" and re-insert "or" before (m)	Does not affect the anything after October 1, 2000.
Sec. 32b(3) Pg. 146, line 24	words added	**(3) A protest or appeal shall be signed** ***or verified*** **in a manner** ***prescribed by administrative rule*** **and shall be transmitted to the agency by mail, facsimile, or other electronic method approved by the unemployment agency.** ***If purported appeal of a matter is not signed or verified, the unemployment agency shall notify the appealing party that it has not been accepted as an appeal.*** ***(Emphasis added to show change)***	Agency may accept a protest or appeal that does not contain a signature but can be verified that it is an appeal filed by or on behalf of the appellant.
Sec. 34 Pg. 152, line 7	Word change	Strike "transfer" and insert "**remove**"	
Sec. 38 Pg. 154, line 24, 25	Name change	Delete "board of review and insert, **"Michigan Compensation Appellate Commission"** Delete "referee" and insert **"Administrative Law Judge"**	
Sec. 54 Pg. 185, line 24 Pg. 186, line 8	Word change	Delete "appeal board" and insert **"Michigan Compensation Appellate Commission"** Delete "board of review" and insert "**Michigan Compensation Appellate Commission"**	
Sec. 54 Pg. 188, lines 6 and 7	Phrase change	On line six after "credited" delete "to the special fraud control fund created in section 10 and insert **"to the contingent fund."**	Administrative sanctions damages and interest will be applied to the contingent fund.

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Sec. 62(b) Pg. 190, lines 24-27	Reinstate the current language, and change percentage.	Restitution resulting from resulting from the intentional false statement, misrepresentation, or concealment of material information is not subject to the **50%** limitation provided in subsection (a).	Changes the limitation from 20% to 50%. This specific change only affects benefit years beginning before October 1, 2000.
Sec. 62(e) Pg. 192	Strike language and add new	(e) Interest recovered under this section shall be **deposited to the contingent fund created in section 10.**	The interest will go to the contingent fund and not the special fraud control fund.

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