

HOUSE BILL No. 4711

April 16, 1991, Introduced by Reps. Bender, Ouwinga, DeMars, Dolan, Allen, London, Munsell, Bankes, Ostling and Gilmer and referred to the Committee on Labor.

A bill to amend section 44 of Act No. 1 of the Public Acts of the Extra Session of 1936, entitled as amended "Michigan employment security act," as amended by Act No. 223 of the Public Acts of 1985, being section 421.44 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 44 of Act No. 1 of the Public Acts of
2 the Extra Session of 1936, as amended by Act No. 223 of the
3 Public Acts of 1985, being section 421.44 of the Michigan
4 Compiled Laws, is amended to read as follows:

5 Sec. 44. (1) "Remuneration" means all compensation paid for
6 personal services, including commissions and bonuses, and except
7 for agricultural and domestic services, the cash value of all
8 compensation payable in a medium other than cash. Any
9 remuneration payable to an individual ~~which~~ THAT has not been

1 ~~actually~~ received by that individual within 21 days after the
 2 end of the pay period in which the remuneration was earned,
 3 ~~shall,~~ for the purposes of subsections (2) to (5), ~~be~~ IS con-
 4 sidered to have been paid on the twenty-first day after the end
 5 of that pay period. The reasonable cash value of compensation
 6 payable in a medium other than cash ~~—~~ shall be estimated and
 7 determined in accordance with rules promulgated by the
 8 commission. Beginning January 1, 1986, ~~"Remuneration" shall~~
 9 ~~include~~ REMUNERATION INCLUDES tips actually reported to an
 10 employer under section 6053(a) of the internal revenue code OF
 11 1986, 26 U.S.C. ~~6053(a)~~ 6053, by an employee who receives tip
 12 income. Remuneration ~~shall~~ DOES not include money paid an
 13 individual by a unit of government for services rendered as a
 14 member of the national guard of this state ~~—~~ or for similar
 15 services to any state or the United States.

16 (2) "Wages", subject to subsections (3) to (5), means remu-
 17 nation paid by employers for employment and, beginning January
 18 1, 1986, includes tips actually reported to an employer under
 19 section 6053(a) of the internal revenue code OF 1986, 26 U.S.C.
 20 ~~6053(a)~~ 6053, by an employee who receives tip income.
 21 Notwithstanding the preceding sentence, for the period January 1,
 22 1986 through December 31, 1986 for purposes of sections 50 and
 23 51, wages ~~shall~~ include tips only to the extent that they are
 24 taken in account by the employer in determining the employee's
 25 compensation under the state minimum wage law or, ~~where~~ IF the
 26 employer adds a certain percent to the customer's bill as a tip
 27 for disbursement to the employees, the dollar amount of the

1 percentage so added. BEGINNING JANUARY 1, 1982, IN ACCORDANCE
 2 WITH SECTION 3306(p) OF THE FEDERAL UNEMPLOYMENT TAX ACT, 26
 3 U.S.C. 3306, IF 2 OR MORE RELATED CORPORATIONS CONCURRENTLY
 4 EMPLOY THE SAME INDIVIDUAL AND PAY REMUNERATION TO THE INDIVIDUAL
 5 THROUGH A COMMON PAYMASTER THAT IS 1 OF THE EMPLOYING CORPORA-
 6 TIONS, FOR PURPOSES OF THIS ACT, ONLY THOSE AMOUNTS ACTUALLY DIS-
 7 BURSED BY EACH CORPORATION TO THAT INDIVIDUAL ARE CONSIDERED
 8 WAGES PAID BY EACH OF THE CORPORATIONS. If any provision of this
 9 subsection prevents the state from qualifying for any federal
 10 interest relief provisions provided under section 1202 of TITLE
 11 XII OF the social security act, CHAPTER 531, 49 STAT. 620, 42
 12 U.S.C. 1322, or prevents employers in this state from qualifying
 13 for the limitation on the reduction of federal unemployment tax
 14 act credits as provided under section 3302(f) of the federal
 15 unemployment tax act, 26 U.S.C. ~~3302(f)~~ 3302, ~~such~~ THAT pro-
 16 vision ~~shall be~~ IS invalid to the extent necessary to maintain
 17 qualification for ~~such~~ THE interest relief provisions and fed-
 18 eral unemployment tax credits.

19 (3) For the purpose of determining the amount of contribu-
 20 tions due from an employer under this act, wages ~~shall be~~ ARE
 21 limited by the taxable wage limit applicable under subsection
 22 (4). For this purpose, wages ~~shall~~ exclude all remuneration
 23 paid within a calendar year to an individual by an employing unit
 24 after the individual was paid within that year by that employing
 25 unit remuneration equal to the taxable wage limit on which unem-
 26 ployment taxes were paid or were payable in this and any other
 27 ~~states~~ STATE. If an employing unit, hereinafter referred to as

1 successor, during any calendar year becomes a transferee in a
 2 transfer of business, as defined in section 22, of another
 3 EMPLOYING UNIT, hereinafter referred to as a predecessor, and
 4 immediately after the transfer employs in his or her trade or
 5 business an individual who immediately before the transfer was
 6 employed in the trade or business of the predecessor, then for
 7 the purpose of determining whether the successor has paid remuneration with respect to employment equal to the taxable wage limit to that individual during the calendar year, any remuneration with respect to employment paid to that individual by the predecessor during the calendar year and before the transfer ~~shall be~~ IS considered as having been paid by the successor.

13 (4) The taxable wage limit ~~for each calendar year shall be~~
 14 IS \$8,000.00 in the 1983 calendar year, \$8,500.00 in the 1984
 15 calendar year, \$9,000.00 in the 1985 calendar year, AND \$9,500.00
 16 in the 1986 calendar year AND EACH CALENDAR YEAR THEREAFTER, ~~and~~
 17 ~~\$9,500.00 for calendar years after 1986,~~ or the maximum amount
 18 of remuneration paid within a calendar year by an employer
 19 subject to the federal unemployment tax act, 26 U.S.C. 3301 to
 20 3311, to an individual with respect to employment as defined in
 21 that act ~~which~~ THAT is subject to tax under that act during
 22 that year for each calendar year, whichever is greater.

23 (5) For ~~the~~ purposes of this act, ~~the term~~ "wages"
 24 ~~shall~~ DO not include ANY OF THE FOLLOWING:

25 (a) The amount of a payment, including an amount paid by an
 26 employer for insurance, ~~or~~ annuities, or into a fund, to
 27 provide for such a payment, made to, or on behalf of, an employee

1 or any of the employee's dependents under a plan or system
2 established by an employer ~~which makes provision~~ THAT PROVIDES
3 for the employer's employees generally, ~~or~~ for the employer's
4 employees generally and their dependents, ~~or~~ for a class or
5 classes of the employer's employees, or for a class or classes of
6 the employer's employees and their dependents, on account of
7 retirement, sickness or accident disability, medical or hospital-
8 ization expenses in connection with sickness or accident disabil-
9 ity, or death.

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

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

19 (d) A payment made to, or on behalf of, an employee or the
20 employee's beneficiary from or to a trust described in section
21 401(a) of the internal revenue code ~~which~~ OF 1986, 26
22 U.S.C. 401, THAT is exempt from tax under section 501(a) of the
23 internal revenue code OF 1986, 26 U.S.C. 501, at the time of the
24 payment, unless the payment is made to an employee of the trust
25 as remuneration for services rendered as an employee and not as a
26 beneficiary of the trust, or under or to an annuity plan which,
27 at the time of the payment, is a plan described in section 403(a)

1 of the internal revenue code OF 1986, 26 U.S.C. 403, or under or
2 to a bond purchase plan which, at the time of the payment, is a
3 qualified bond purchase plan described in section 405(a) of the
4 internal revenue code.

5 (e) The payment by an employer, without deduction from the
6 remuneration of the employee, of the tax imposed upon an employee
7 under section 3101 of ~~the internal revenue code~~ SUBCHAPTER A OF
8 THE FEDERAL INSURANCE CONTRIBUTIONS ACT, 26 U.S.C. 3101.

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

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

16 (h) Remuneration paid to or on behalf of an employee as
17 moving expenses if, and to the extent that, at the time of pay-
18 ment of the remuneration it is reasonable to believe that a cor-
19 responding deduction is allowable under section 217 of the inter-
20 nal revenue code OF 1986, 26 U.S.C. 217.

21 (6) The amendments made to this section by Act No. 155 of
22 the Public Acts of 1977 ~~shall~~ apply to ~~all~~ remuneration paid
23 after December 31, 1977.

24 (7) The amendments made in subsection (1) by ~~the amendatory~~
25 ~~act which added this subsection shall first~~ ACT NO. 277 OF THE
26 PUBLIC ACTS OF 1977 apply to remuneration paid after December 31,
27 1977.