



HOUSE BILL No. 6136

September 25, 1996, Introduced by Reps. Cherry, DeMars, DeLange, Munsell, Murphy, LaForge, Byl, Hanley, Prusi, Perricone and Llewellyn and referred to the Committee on Human Resources and 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. 162 of the Public Acts of 1994, 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. 162 of the
3 Public Acts of 1994, 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 end
2 of the pay period in which the remuneration was earned, shall,
3 for the purposes of subsections (2) to (5) and section 46, be
4 considered to have been paid on the twenty-first day after the
5 end of that pay period. For benefit years beginning after the
6 conversion date prescribed in section 75, if back pay is awarded
7 to an individual and is allocated by an employer or legal author-
8 ity to a period of weeks within 1 or more calendar quarters, the
9 back pay shall be considered paid in that calendar quarter or
10 those calendar quarters for purposes of section 46. The reason-
11 able cash value of compensation payable in a medium other than
12 cash, shall be estimated and determined in accordance with rules
13 promulgated by the commission. Beginning January 1, 1986, remu-
14 nation shall include tips actually reported to an employer
15 under section 6053(a) of the internal revenue code ~~—, 26~~
16 ~~U.S.C. 6053(a),~~ by an employee who receives tip income.
17 Remuneration ~~shall~~ DOES not include ~~money~~ EITHER OF THE
18 FOLLOWING:

19 (A) MONEY paid an individual by a unit of government for
20 services rendered as a member of the national guard of this
21 state, or for similar services to any state or the United
22 States.

23 (B) MONEY PAID BY AN EMPLOYER TO A WORKER UNDER A SUPPLEMEN-
24 TAL UNEMPLOYMENT BENEFIT PLAN UNDER SECTION 501(c) OF THE INTER-
25 NAL REVENUE CODE, REGARDLESS OF WHETHER THE BENEFITS ARE PAID
26 FROM A TRUST OR BY THE EMPLOYER.

1 (2) "Wages", subject to subsections (3) to (5), means
2 remuneration paid by employers for employment and, beginning
3 January 1, 1986, includes tips actually reported to an employer
4 under section 6053(a) of the internal revenue code ~~—, 26 U.S.C.~~
5 ~~6053(a)~~, by an employee who receives tip income.
6 Notwithstanding the preceding sentence, for the period January 1,
7 1986 through December 31, 1986 for purposes of sections 50 and
8 51, wages shall include tips only to the extent that they are
9 taken in account by the employer in determining the employee's
10 compensation under the state minimum wage law or, where the
11 employer adds a certain percent to the customer's bill as a tip
12 for disbursement to the employees, the dollar amount of the per-
13 centage so added. If any provision of this subsection prevents
14 the state from qualifying for any federal interest relief provi-
15 sions provided under section 1202 of the social security act, 42
16 U.S.C. 1322, or prevents employers in this state from qualifying
17 for the limitation on the reduction of federal unemployment tax
18 act credits as provided under section 3302(f) of the federal
19 unemployment tax act, 26 U.S.C. ~~—3302(f)~~ 3302, such provision
20 shall be invalid to the extent necessary to maintain qualifica-
21 tion for such interest relief provisions and federal unemployment
22 tax credits.

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

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

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

1 (5) For the purposes of this act, the term "wages" shall not
2 include:

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

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

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

23 (d) A payment made to, or on behalf of, an employee or the
24 employee's beneficiary from or to a trust described in section
25 401(a) of the internal revenue code ~~which~~ THAT is exempt from
26 tax under section 501(a) of the internal revenue code at the time
27 of the payment, unless the payment is made to an employee of the

1 trust as remuneration for services rendered as an employee and
2 not as a beneficiary of the trust, or under or to an annuity plan
3 which, at the time of the payment, is a plan described in section
4 403(a) of the internal revenue code, or under or to a bond pur-
5 chase plan ~~which~~ THAT at the time of the payment, is a quali-
6 fied bond purchase plan described in section 405(a) of the inter-
7 nal revenue code.

8 (e) The payment by an employer, without deduction from the
9 remuneration of the employee, of the tax imposed upon an employee
10 under section 3101 of the internal revenue code.

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

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

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

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

1 (7) The amendments made in subsection (1) by the amendatory
2 act ~~which~~ THAT added this subsection shall first apply to
3 remuneration paid after December 31, 1977.