

OCCUPATIONAL CODE (EXCERPT)
Act 299 of 1980

339.1012 Type A personnel agency; contract with client for services; limitation on gross fee; refund; receipt; maintenance of files.

Sec. 1012. (1) A type A personnel agency shall enter into a written contract with each client for the services to be rendered for which a charge is to be made by the personnel agency. The contract shall embody all the terms and conditions of the agreement between the personnel agency and the client and shall include, but not be limited to, the following:

- (a) The licensed name, address, and telephone number of the personnel agency.
 - (b) A notice that the personnel agency is licensed, bonded, required to operate under the laws of the state of Michigan, and regulated by the department.
 - (c) The name and address of the client.
 - (d) The personnel agency's fee schedule.
 - (e) The duration of time the client is obligated under the terms of the contract.
 - (f) The guarantee period of employment after which no refund will be made.
 - (g) The services to be provided and the manner in which the services are to be provided to the client.
 - (h) The terms under which the fee is to be paid.
 - (i) The terms under which a client may receive a refund.
 - (j) The signatures of the client and the personnel agency employee executing the contract.
- (2) If a client accepts employment as a result of the action of a type A personnel agency, reports for work, and is employed for less than the personnel agency's guarantee period as indicated in the contract, the gross fee charged to the client shall not exceed 20% of the salary or wages earned by the employee. The minimum guarantee period shall be at least 60 calendar days. The terms of the refund shall include a notice that if a fee in excess of the amount required has been collected by the personnel agency, the excess amount shall be refunded to the client within 7 days after the client requests the refund.
- (3) A type A personnel agency shall provide 1 copy of the signed contract to the client and shall maintain 1 copy in the agency's file relating to that client.
- (4) If a client accepts employment as a result of the services of a type A personnel agency, the agency shall maintain in that client's contract file a record showing the name and address of the client, the name and address of the employer with whom employment is accepted, the nature of the employment, the amount of the agency fee, the dates and amounts of payment, and the date and amount of any refund. The record shall include a space for remarks of an individual nature which supplement the required information.
- (5) A type A personnel agency shall give to a client from whom a fee is received for the services rendered or assistance given a receipt bearing the name and address of the personnel agency, the name of the client, the name of the individual receiving the fee, the amount of the fee, the date of payment of the fee, and the reason for payment of the fee. The original receipt shall be given to the client and a copy shall be filed by the agency in the same place as the contract under which payment was made.
- (6) A type A personnel agency shall maintain a client file containing the contract, the employment and payment record, and receipts of payment for at least 3 years following the last payment or refund.

History: 1980, Act 299, Imd. Eff. Oct. 21, 1980;—Am. 1992, Act 253, Imd. Eff. Nov. 19, 1992.

Popular name: Act 299