

MICHIGAN EMPLOYMENT SECURITY ACT (EXCERPT)
Act 1 of 1936 (Ex. Sess.)

421.13 Contributions of employer; rate; obligation assessment payment; computation and payment; reports; quarterly wage report; apportioned payments; optional payment method; "eligible contributing employer" defined.

Sec. 13. (1) Each employer subject to this act shall pay to the unemployment agency a tax in the form of payments in lieu of contributions if the employer is liable for those payments, or shall pay tax contributions equal to a standard rate of 5.4%, subject to an adjustment in rate of contributions as provided for in section 19. The contributions become due and must be paid to the unemployment agency, for the unemployment compensation fund, by each employer semiannually or for shorter periods of not less than 28 days, as the unemployment agency may by rule prescribe. Contributions due and payable from an employer that is liable under this act solely on the basis of the payment of wages for domestic service may be paid annually on the date specified by the unemployment agency. An obligation assessment payment made pursuant to section 10a or a contribution payment made pursuant to this section must be credited first to interest on the obligation assessment and then to the obligation assessment, with those payments applied to amounts unpaid and owing in the oldest calendar quarter and progressing each quarter to the most recent quarter. Any remainder must be credited first to penalties on contributions, then to interest on contributions, and then to contribution principal, with those payments applied to amounts unpaid and owing in the oldest calendar quarter and progressing each quarter to the most recent quarter. An employer's contribution must not be deducted directly or indirectly, in whole or in part, from wages of individuals in his or her employ. A contribution payment amount that is not an even dollar amount must be credited to the account of the employer in an amount equal to the next lower dollar amount if under 50 cents and in an amount equal to the next higher dollar amount if 50 cents or more. The unemployment agency may prescribe by rule the details of the computation and payment of contributions. Every employing unit shall file with the unemployment agency periodic reports on forms and at a time the unemployment agency prescribes to disclose liability for contributions under this act. Each employing unit shall keep records, including wage and employment records, and shall, within prescribed time limits, submit or provide reports, including wage and employment reports, to the unemployment agency or to the employing unit's employees or former employees as the unemployment agency prescribes by rule.

(2) Beginning with the first quarter of 1986, each employer shall file a quarterly wage report with the unemployment agency, on forms and at a time as the unemployment agency prescribes, which shall include for each of the employer's employees the employee's name, Social Security number, gross wages paid during each quarter, and the name, address, and federal and state employer identification number of the individual's employer. If the unemployment agency discovers an error in a report filed timely, the unemployment agency shall provide written notification to the employer of the error. If the employer provides corrected information within 14 days of the notification, the administrative fine provided in section 54 for a late, incomplete, or erroneous report does not apply. An employer that has more than 25 employees on January 1, 2013 shall file quarterly reports beginning with the report for the first quarter of 2013 by an electronic method approved by the unemployment agency. An employer that has more than 5 but fewer than 26 employees on January 1, 2013 shall file quarterly reports beginning with the report for the first quarter of 2014 by an electronic method approved by the unemployment agency. An employer that has 5 or fewer employees on January 1, 2013 shall file quarterly reports beginning with the report for the first quarter of 2015 by an electronic method approved by the unemployment agency, except that the director of the unemployment agency, upon application by the employer, may grant additional time for the employer to comply with the electronic filing method if the director concludes that satisfying the requirement of electronic filing will cause economic hardship for the employer. The employer shall provide, and the director shall consider, information about the employer's anticipated cost expenditure for preparing for electronic filing and about the employer's annual income. An employer that complies with the reporting requirements of this subsection by filing electronically a quarterly wage report using a method approved by the unemployment agency is not required to file periodically to disclose contributions under this act.

(3) If in the first quarter of a year an eligible contributing employer incurs a contribution obligation that is equal to 50% or more of the eligible contributing employer's total contribution obligation for the immediately preceding year, the eligible contributing employer may discharge the liability for that first-quarter contribution obligation by making quarterly payments that distribute the first-quarter contribution obligation equally over the first quarter and the immediately succeeding 3 quarters. To avoid interest and penalties otherwise applicable to the payments described in this subsection, an employer that meets the requirements of this subsection shall notify the unemployment agency of its election to make apportioned payments with the first quarter's payment and timely file each succeeding quarterly payment in the amounts prescribed in section

15a. This subsection applies to contributions beginning in the 2013 tax year. The unemployment agency shall include a description of the optional payment method described in this subsection on the form, whether electronic or otherwise, that it provides to contributing employers for the payment of taxes and contributions required under this section. As used in this subsection, "eligible contributing employer" means a contributing employer that employed either of the following:

(a) 25 or fewer individuals during the pay period that includes January 12, 2022.

(b) 100 or fewer individuals during the pay period that includes March 31, 2022 or during the corresponding pay period in a succeeding calendar year.

History: 1936, Ex. Sess., Act 1, Imd. Eff. Dec. 24, 1936;—Am. 1937, Act 347, Imd. Eff. Aug. 5, 1937;—Am. 1943, Act 246, Imd. Eff. June 1, 1943;—Am. 1947, Act 360, Imd. Eff. July 8, 1947;—CL 1948, 421.13;—Am. 1951, Act 251, Imd. Eff. June 17, 1951;—Am. 1951, 1st Ex. Sess., Act 1, Imd. Eff. Aug. 23, 1951;—Am. 1967, Act 254, Imd. Eff. July 19, 1967;—Am. 1971, Act 231, Imd. Eff. Jan. 3, 1972;—Am. 1977, Act 277, Eff. Jan. 1, 1978;—Am. 1984, Act 172, Imd. Eff. June 29, 1984;—Am. 1985, Act 197, Imd. Eff. Dec. 26, 1985;—Am. 2011, Act 269, Imd. Eff. Dec. 19, 2011;—Am. 2012, Act 493, Imd. Eff. Dec. 28, 2012;—Am. 2022, Act 96, Imd. Eff. June 14, 2022.

Administrative rules: R 421.10 et seq. of the Michigan Administrative Code.