

**SUBSTITUTE FOR
HOUSE BILL NO. 4544**

A bill to amend 1969 PA 317, entitled
"Worker's disability compensation act of 1969,"
(MCL 418.101 to 418.941) by adding section 123.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 123. (1) If a coemployer has assumed primary liability**
2 **for compensation and benefits under this act pursuant to a**
3 **professional employer agreement, both of the following apply:**

4 **(a) For purposes of section 131, a covered employee's employer**
5 **includes both the PEO and client. This subdivision does not apply**
6 **to a coemployer that has not secured the payment of compensation**
7 **under section 611(1).**

8 **(b) A claim submitted under this act by a covered employee for**
9 **compensation or other benefits is the liability of the carrier of**



1 the coemployer that assumed primary liability for compensation and
2 benefits under this act pursuant to the professional employer
3 agreement or, if that coemployer is self-insured, is the liability
4 of that coemployer. However, if, at the time the covered employee
5 is injured, the coemployer that assumed primary liability for
6 compensation and benefits under this act has not secured the
7 payment of compensation under section 611(1), then the claim
8 submitted by the covered employee is the liability of the other
9 coemployer's carrier or the other coemployer if the other
10 coemployer is self-insured.

11 (2) As used in this section, "client", "coemployer", "covered
12 employee", "PEO", and "professional employer agreement" mean those
13 terms as defined in section 3 of the Michigan professional employer
14 organization regulatory act, 2010 PA 370, MCL 338.3723.

15 Enacting section 1. This amendatory act takes effect 90 days
16 after the date it is enacted into law.

