

HOUSE BILL No. 4461

March 6, 1997, Introduced by Reps. Martinez, Wallace, Goschka, Cherry, Harder, Baird, Hanley and Scott and referred to the Committee on Labor and Occupational Safety.

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending sections 11 and 17 (MCL 421.11 and 421.17), section 11 as amended by 1995 PA 25 and section 17 as amended by 1994 PA 162.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (a) In the administration of this act, the commis-
2 sion shall cooperate with the appropriate agency of the United
3 States under the social security act. The commission shall make
4 reports, in a form and containing information as the appropriate
5 agency of the United States may from time to time require, and
6 shall comply with such provisions as the appropriate agency of
7 the United States may from time to time prescribe to assure the
8 correctness and verification of the reports. The commission,
9 subject to this act, shall comply with the regulations prescribed

1 by the appropriate agency of the United States relating to the
2 receipt or expenditure of such sums as may be allotted and paid
3 to this state for the purpose of assisting in the administration
4 of this act. As used in this section, "social security act"
5 means the social security act, chapter 531, 49 Stat. 620.

6 (b) (1) Information obtained from any employing unit or
7 individual pursuant to the administration of this act, and deter-
8 minations as to the benefit rights of any individual shall be
9 held confidential and shall not be disclosed or open to public
10 inspection other than to public employees in the performance of
11 their official duties pursuant to this act in any manner reveal-
12 ing the individual's or the employing unit's identity. However,
13 all of the following apply:

14 (i) Information in the commission's possession that may
15 affect a claim for worker's disability compensation under the
16 worker's disability compensation act of 1969, ~~Act No. 317 of the~~
17 ~~Public Acts of 1969, being sections 418.101 to 418.941 of the~~
18 ~~Michigan Compiled Laws~~ 1969 PA 317, MCL 418.101 TO 418.941,
19 shall be available to interested parties, regardless of whether
20 the commission is a party to an action or proceeding arising
21 under ~~Act No. 317 of the Public Acts of 1969~~ THE WORKER'S DIS-
22 ABILITY COMPENSATION ACT OF 1969, 1969 PA 317, MCL 418.101 TO
23 418.941.

24 (ii) Any information in the commission's possession that may
25 affect a claim for benefits or a charge to an employer's rating
26 account shall be available to interested parties.

1 (iii) Except as provided in this act, such information and
2 determinations shall not be used in any action or proceeding
3 before any court or administrative tribunal unless the commission
4 is a party to or a complainant in the action or proceeding, or
5 unless used for the prosecution of fraud, civil proceeding, or
6 other legal proceeding pursuant to subdivision (2).

7 (iv) Any report or statement, written or verbal, made by any
8 person to the commission, any member of the commission, or to any
9 person engaged in administering this law shall be a privileged
10 communication, and a person, firm, or corporation shall not be
11 held liable for slander or libel on account of a report or
12 statement. Such records and reports in the custody of the com-
13 mission shall be available for examination by the employer or
14 employee affected.

15 (v) Subject to restrictions as the commission may by rule
16 prescribe, information in the commission's possession may be made
17 available to any agency of this or any other state, or any fed-
18 eral agency, charged with the administration of an unemployment
19 compensation law or the maintenance of a system of public employ-
20 ment offices; the bureau of internal revenue of the United States
21 department of the treasury; or the social security administration
22 of the United States department of health and human services.

23 (vi) Information obtained in connection with the administra-
24 tion of the employment service may be made available to persons
25 or agencies for purposes appropriate to the operation of a public
26 employment service. Subject to such restrictions as the
27 commission may by rule prescribe, the commission may also make

1 such information available to agencies of other states which are
2 responsible for the administration of public assistance to unem-
3 ployed workers, and to the departments of this state.

4 Information so released shall be used only for purposes not
5 inconsistent with the purposes of this act.

6 (vii) The commission may make available to the department of
7 treasury information collected for the income eligibility and
8 verification system begun on October 1, 1988 for the purpose of
9 detection of potential tax fraud in other areas.

10 (viii) Upon request, the commission shall furnish to any
11 agency of the United States charged with the administration of
12 public works or assistance through public employment, and may
13 furnish to any state agency similarly charged, the name, address,
14 ordinary occupation, and employment status of each recipient of
15 benefits and the recipient's rights to further benefits under
16 this act.

17 (ix) Subject to restrictions as the commission may pre-
18 scribe, by rule or otherwise, the commission may also make such
19 information available to colleges, universities, and public agen-
20 cies of this state for use in connection with research projects
21 of a public service nature. A person associated with such insti-
22 tutions or agencies shall not disclose the information in any
23 manner which would reveal the identity of any individual or
24 employing unit from or concerning whom the information was
25 obtained by the commission.

26 (x) The commission may request the comptroller of the
27 currency of the United States to cause an examination of the

1 correctness of any return or report of any national banking
2 association rendered pursuant to this act, and may, in connection
3 with the request, transmit the report or return to the comptrol-
4 ler of the currency of the United States as provided in section
5 3305(c) of the internal revenue code.

6 (2) The commission shall disclose to qualified requesting
7 agencies, upon request, with respect to an identified individual,
8 information in its records pertaining to the individual's name;
9 social security number; gross wages paid during each quarter; the
10 name, address, and federal and state employer identification
11 number of the individual's employer; any other wage information;
12 whether an individual is receiving, has received, or has applied
13 for unemployment benefits; the amount of unemployment benefits
14 the individual is receiving or is entitled to receive; the
15 individual's current or most recent home address; whether the
16 individual has refused an offer of work and if so a description
17 of the job offered including the terms, conditions, and rate of
18 pay; and any other information which the qualified requesting
19 agency considers useful in verifying eligibility for, and the
20 amount of, benefits. For purposes of this subdivision,
21 "qualified requesting agency" means any state or local child sup-
22 port enforcement agency responsible for enforcing child support
23 obligations under a plan approved under part ~~d~~ D of ~~Title~~
24 TITLE IV of the social security act, 42 U.S.C. 651 to ~~669~~ 660
25 AND 663 TO 669b; the United States department of health and human
26 services for purposes of establishing or verifying eligibility or
27 benefit amounts under ~~Titles~~ TITLES II and XVI of the social

1 security act, 42 U.S.C. 401 to 405, 406 TO 418, 420 TO 423, 424a
2 TO 426-1, AND 427 TO 433, and 42 U.S.C. 1381 TO 1382j AND 1383 to
3 ~~1383d~~ 1383f; the United States department of agriculture for
4 the purposes of determining eligibility for, and amount of, bene-
5 fits under the food stamp program established under the food
6 stamp act of 1977, PUBLIC LAW 88-525, 7 U.S.C. 2011 to ~~2032~~
7 2012 AND 2013 TO 2036; and any other state or local agency of
8 this or any other state responsible for administering the follow-
9 ing programs:

10 (i) The aid to families with dependent children program
11 under part ~~a~~ A of ~~Title~~ TITLE IV of the social security act,
12 42 U.S.C. 601 to ~~617~~ 619.

13 (ii) The medicaid program under ~~Title~~ TITLE XIX of the
14 social security act, 42 U.S.C. 1396 to ~~1396u~~ 1396f AND 1396g-1
15 TO 1396w.

16 (iii) The unemployment compensation program under section
17 3304 of the internal revenue code. ~~of 1954, 26 U.S.C. 3304.~~

18 (iv) The food stamp program under the food stamp act of
19 1977, PUBLIC LAW 88-525, 7 U.S.C. 2011 to ~~2032~~ 2012 AND 2013 TO
20 2036.

21 (v) Any state program under a plan approved under ~~Title~~
22 TITLE I, X, XIV, or XVI of the social security act, 42 U.S.C. 301
23 to 306, 42 U.S.C. 1201 to 1202 AND 2036. 1206, 42 U.S.C. 1351 to
24 1355, and 42 U.S.C. 1381 to ~~1383d~~ 1382j AND 1383 TO 1383f.

25 (vi) Any program administered under the social welfare act,
26 ~~Act No. 280 of the Public Acts of 1939, being sections 400.1 to~~

1 ~~400.119b of the Michigan Compiled Laws~~ 1939 PA 280, MCL 400.1 TO
2 400.119B.

3 The information shall be disclosed only if the qualified
4 requesting agency has executed an agreement with the commission
5 to obtain such information and if the information is requested
6 for the purpose of determining the eligibility of applicants for
7 benefits, or the type and amount of benefits for which applicants
8 are eligible, under any of the programs listed above or under
9 ~~Titles~~ TITLES II and XVI of the social security act, 42
10 U.S.C. 401 TO 405, 406 TO 418, 420 TO 423, 424a TO 426-1, AND 427
11 TO 433 AND 42 U.S.C. 1381 TO 1382j AND 1383 TO 1383F; for estab-
12 lishing and collecting child support obligations from, and locat-
13 ing individuals owing such obligations which are being enforced
14 pursuant to a plan described in section 454 of PART D OF TITLE IV
15 OF the social security act, 42 U.S.C. 654; or for investigating
16 or prosecuting alleged fraud under any of these programs.

17 The commission shall cooperate with the department of social
18 services in establishing the computer data matching system autho-
19 rized in section 83 of ~~Act No. 280 of the Public Acts of 1939,~~
20 ~~being section 400.83 of the Michigan Compiled Laws~~ THE SOCIAL
21 WELFARE ACT, 1939 PA 280, MCL 400.83, to transmit the information
22 requested on at least a quarterly basis. The information shall
23 not be released unless the qualified requesting agency agrees to
24 reimburse the commission for the costs incurred in furnishing the
25 information.

26 In addition to the requirements of this section, except as
27 later provided in this subdivision, all other requirements with

1 respect to confidentiality of information obtained in the
2 administration of this act shall apply to the use of the informa-
3 tion by the officers and employees of the qualified requesting
4 agencies, and the sanctions imposed under this act for improper
5 disclosure of the information shall be applicable to such offi-
6 cers and employees. A qualified requesting agency may redisclose
7 information only to the following individuals or agencies: (1)
8 the individual who is the subject of the information, (2) an
9 attorney or other duly authorized agent representing the individ-
10 ual if the information is needed in connection with a claim for
11 benefits against the requesting agency, or (3) any criminal or
12 civil prosecuting authorities acting for or on behalf of the
13 requesting agency.

14 The commission is authorized to enter into an agreement with
15 any qualified requesting agency for the purposes described in
16 this subdivision. Such agreement or agreements must comply with
17 all federal laws and regulations applicable to such agreements.

18 (3) The commission shall enable the United States department
19 of health and human services to obtain prompt access to any wage
20 and unemployment benefit claims information, including any infor-
21 mation that might be useful in locating an absent parent or an
22 absent parent's employer, for purposes of section 453 of PART D
23 OF TITLE IV OF the social security act, 42 U.S.C. 653, in carry-
24 ing out the child support enforcement program under title IV.
25 Access to the information shall not be provided unless the
26 requesting agency agrees to reimburse the commission for the
27 costs incurred in furnishing the information.

1 (4) Upon request accompanied by presentation of a consent to
2 the release of information signed by an individual, the commis-
3 sion shall disclose to the United States department of housing
4 and urban development and any state or local public housing
5 agency responsible for verifying an applicant's or participant's
6 eligibility for, or level of benefits in, any housing assistance
7 program administered by the United States department of housing
8 and urban development, the name, address, wage information,
9 whether an individual is receiving, has received, or has made
10 application for unemployment benefits, and the amount of unem-
11 ployment benefits the individual is receiving or is entitled to
12 receive under this act. This information shall be used only to
13 determine an individual's eligibility for benefits or the amount
14 of benefits to which an individual is entitled under a housing
15 assistance program of the United States department of housing and
16 urban development. The information shall not be released unless
17 the requesting agency agrees to reimburse the commission for the
18 costs incurred in furnishing the information. For purposes of
19 this subsection, "public housing agency" means an agency
20 described in section 3(b)(6) of TITLE I OF the United States
21 housing act of 1937, CHAPTER 896, 88 STAT. 654, 42 U.S.C. 1437a.

22 (c) The commission is authorized to enter into agreements
23 with the appropriate agencies of other states or the federal gov-
24 ernment whereby potential rights to benefits accumulated under
25 the unemployment compensation laws of other states or such a law
26 of the federal government, or both, may constitute the basis for
27 the payment of benefits through a single appropriate agency under

1 plans which the commission finds will be fair and reasonable as
2 to all affected interests and will not result in substantial loss
3 to the unemployment compensation fund.

4 (d) (1) The commission is authorized to enter into recipro-
5 cal agreements with the appropriate agencies of other states or
6 of the federal government adjusting the collection and payment of
7 contributions by employers with respect to employment not local-
8 ized within this state.

9 (2) The commission is authorized to enter into reciprocal
10 agreements with agencies of other states administering unemploy-
11 ment compensation, whereby contributions paid by an employer to
12 any other state may be received by the other state as an agent
13 acting for and on behalf of this state to the same extent as if
14 the contributions had been paid directly to this state if the
15 payment is remitted to this state. Contributions so received by
16 another state shall be deemed contributions, required and paid
17 under this act as of the date the contributions were received by
18 the other state. The commission may collect contributions in a
19 like manner for agencies of other states administering unemploy-
20 ment compensation and remit the contributions to the agencies
21 under the terms of the reciprocal agreements.

22 (e) The commission may make the state's records relating to
23 the administration of this act available and may furnish to the
24 railroad retirement board or any other state or federal agency
25 administering an unemployment compensation law, at the expense of
26 that board, state, or agency, copies of the records as the
27 railroad retirement board deems necessary for its purpose.

1 (f) The commission may cooperate with or enter into
2 agreements with any agency of another state or of the United
3 States charged with the administration of any unemployment insur-
4 ance or public employment service law.

5 The commission is authorized to make investigations, secure
6 and transmit information, make available services and facilities,
7 and exercise other powers provided in this act with respect to
8 the administration of this act as it deems necessary or appropri-
9 ate to facilitate the administration of any unemployment compen-
10 sation or public employment service law, and in like manner, to
11 accept and utilize information, services, and facilities made
12 available to this state by the agency charged with the adminis-
13 tration of any other unemployment compensation or public employ-
14 ment service law.

15 On request of an agency which administers an employment
16 security law of another state or foreign government and which has
17 found, in accordance with that law, that a claimant is liable to
18 repay benefits received under that law, the commission may col-
19 lect the amount of the benefits from the claimant to be refunded
20 to the agency.

21 In any case in which under this subsection a claimant is
22 liable to repay any amount to the agency of another state or for-
23 eign government, the amount may be collected by civil action in
24 the name of the commission acting as agent for the agency. Court
25 costs shall be paid or guaranteed by the agency.

26 To the extent permissible under the laws and constitution of
27 the United States, the commission is authorized to enter into or

1 cooperate in arrangements whereby facilities and services
2 provided under this act and facilities and services provided
3 under the unemployment compensation law of the Dominion of Canada
4 may be utilized for the taking of claims and the payment of bene-
5 fits under the unemployment compensation law of this state or
6 under a similar law of the Dominion of Canada.

7 Any employer who is not a resident of this state and who
8 exercises the privilege of having 1 or more individuals perform
9 service for him or her within this state, and any resident
10 employer who exercises that privilege and thereafter leaves this
11 state, shall be deemed thereby to appoint the secretary of state
12 as his or her agent and attorney for the acceptance of process in
13 any civil action under this act. In instituting such an action
14 against any employer, the commission shall cause such process or
15 notice to be filed with the secretary of state, and such service
16 shall be sufficient and shall be of the same force and validity
17 as if served upon the employer personally within this state. The
18 commission immediately shall send notice of the service of pro-
19 cess or notice, together with a copy thereof, by registered mail,
20 return receipt requested, to the employer at his or her last
21 known address. The return receipt, the commission's affidavit of
22 compliance with this section, and a copy of the notice of service
23 shall be attached to the original of the process filed in the
24 court in which the civil action is pending.

25 The courts of this state shall recognize and enforce liabil-
26 ities, as provided in this act, for unemployment compensation

1 contributions, penalties, and interest imposed by other states
2 which extend a like comity to this state.

3 The attorney general is empowered to commence action in the
4 appropriate court of any other state or any other jurisdiction of
5 the United States by and in the name of the commission to collect
6 unemployment compensation contributions, penalties, and interest
7 finally determined, redetermined, or decided under this act to be
8 legally due this state. The officials of other states which
9 extend a like comity to this state are empowered to sue in the
10 courts of this state for the collection of unemployment compensa-
11 tion contributions, penalties, and interest, the liability for
12 which has been similarly established under the laws of the other
13 state or jurisdiction. A certificate by the secretary of another
14 state under the great seal of that state attesting the authority
15 of the official or officials to collect unemployment compensation
16 contributions, penalties, and interest shall be conclusive evi-
17 dence of that authority.

18 The attorney general is authorized to commence action in
19 this state as agent for or on behalf of any other state to
20 enforce judgments and established liabilities for unemployment
21 compensation taxes or contributions, penalties, and interest due
22 the other state if the other state extends a like comity to this
23 state.

24 (g) The commission is also authorized to enter into recipro-
25 cal agreements with the appropriate and authorized agencies of
26 other states or of the federal government whereby remuneration
27 and services, upon the basis of which an individual may become

1 entitled to benefits under the unemployment compensation law of
2 another state or of the federal government, shall be deemed to be
3 wages and employment for the purposes of sections 27 and 46, if
4 the other state agency or agency of the federal government has
5 agreed to reimburse the fund for that portion of benefits paid
6 under this act upon the basis of the remuneration and services as
7 the commission finds will be fair and reasonable as to all
8 affected interests, and wages and employment, on the basis of
9 which an individual may become entitled to benefits under this
10 act, shall be deemed to be wages or services on the basis of
11 which unemployment compensation under the law of another state or
12 of the federal government is payable, and whereby services per-
13 formed by an individual for a single employing unit for which
14 services are customarily performed by the individual in more than
15 1 state shall be deemed to be services performed entirely within
16 any 1 of the states in which any part of the individual's service
17 is performed, in which the individual has his or her residence,
18 or in which the employing unit maintains a place of business, if
19 there is, in effect as to such services, an election approved by
20 the agency charged with the administration of the state's unem-
21 ployment compensation law, pursuant to which all the services
22 performed by the individual for the employing unit are deemed to
23 be performed entirely within the state, and whereby the commis-
24 sion will reimburse other state or federal agencies charged with
25 the administration of unemployment compensation laws with such
26 reasonable portion of benefits, paid under the law of any other
27 state or of the federal government upon the basis of employment

1 and wages, as the commission finds will be fair and reasonable as
2 to all affected interests. Reimbursements so payable shall be
3 deemed to be benefits for the purpose of limiting duration of
4 benefits and for the purposes of sections 20a and 26, and the
5 payments shall be charged to the contributing employer's rating
6 account for the purposes of sections 17, 18, 19, and 20, or the
7 reimbursing employer's account under section 13c or 13g, as
8 applicable. Benefits paid under a combined wage plan shall be
9 allocated and charged to each employer involved in the quarter in
10 which the paying state requires reimbursement. Benefits charged
11 to this state shall be allocated to each employer of this state
12 who has employed the claimant during the base period of the
13 paying state in the same ratio that the wages earned by the
14 claimant during the base period of the paying state in the employ
15 of the employer bears to the total amount of wages earned by the
16 claimant in the base period of the paying state in the employ of
17 all employers of the state. HOWEVER, BENEFITS PAID TO A CLAIMANT
18 AND OTHERWISE CHARGEABLE TO AN EMPLOYER IN THIS STATE UNDER THIS
19 ACT AND UNDER A COMBINED WAGE PLAN SHALL BE CHARGED TO THE NON-
20 CHARGEABLE BENEFITS ACCOUNT DESCRIBED IN SECTION 17 IF THE ACT OR
21 DISCHARGE THAT RESULTED IN THE CLAIMANT'S SEPARATION FROM EMPLOY-
22 MENT WITH THE EMPLOYER IN THIS STATE WOULD HAVE BEEN DISQUALIFY-
23 ING UNDER SECTION 29(1)(A) OR (B). The commission is authorized
24 to make to other state or federal agencies and receive from other
25 state or federal agencies reimbursements from or to the fund, in
26 accordance with arrangements made pursuant to this section.

1 (h) The commission is authorized and directed to enter into
2 any agreement necessary in order that it may cooperate with any
3 agency of the United States charged with the administration of
4 any program for the payment of primary or supplemental benefits
5 to individuals recently discharged from the military services of
6 the United States, and to assist in the establishing of eligibil-
7 ity and in the payments of benefits thereunder, and for those
8 purposes may accept and administer funds made available by the
9 federal government and may accept and exercise any delegated
10 function as may be provided thereunder. The commission shall not
11 have power to enter into any agreement providing for, or exercise
12 any function connected with, the disbursement of the state's
13 unemployment trust fund for purposes not authorized by this act.

14 (i) The commission may enter into agreements with the appro-
15 priate agency of the United States whereby, in accordance with
16 the laws of the United States, the commission, as agent of the
17 United States, or from funds provided by the United States, shall
18 provide for the payment of unemployment compensation or unemploy-
19 ment allowances of any kind, including the payment of any bene-
20 fits and allowances that are made available for manpower develop-
21 ment, training, retraining, readjustment, and relocation. The
22 commission may receive and disburse funds from the United States
23 or any appropriate agency of the United States in accordance with
24 any such agreements.

25 If the federal enactment providing for unemployment compen-
26 sation, training allowance, or relocation payments requires joint
27 federal-state financing of such payments, the commission may

1 participate in the programs by using funds appropriated by the
2 legislature to the extent provided by the legislature for such
3 programs.

4 (j) The commission shall participate in any arrangement
5 which provides for the payment of compensation on the basis of
6 combining an individual's wages and employment covered under this
7 act with his or her wages and employment covered under the unem-
8 ployment compensation laws of other states, if the arrangement is
9 approved by the United States secretary of labor in consultation
10 with the state unemployment compensation agencies as reasonably
11 calculated to assure the prompt and full payment of
12 compensation. An arrangement shall include provisions for both
13 of the following:

14 (i) Applying the base period of a single state law to a
15 claim involving the combining of an individual's wages and
16 employment covered under 2 or more state unemployment compensa-
17 tion laws.

18 (ii) Avoiding the duplicate use of wages and employment as a
19 result of the combining.

20 (k) In a proceeding before any court, the commission and the
21 state shall be represented by the attorney general of this state
22 or attorneys designated by the attorney general. Only the attor-
23 ney general or other attorneys designated by the attorney general
24 shall act as legal counsel for the commission.

25 Sec. 17. (1) The commission shall maintain in the fund a
26 nonchargeable benefits account, and a separate experience account
27 for each employer as provided in this section. As used in this

1 act, "experience account" means an account in the fund showing an
2 employer's experience with respect to contribution payments and
3 benefit charges under this act, determined and recorded in the
4 manner provided in this act. "Nonchargeable benefits account"
5 means the account in the fund maintained as provided in
6 subsections (2) and (3). A reference in this act to the
7 "solvency account" shall be construed to refer to the noncharge-
8 able benefits account and a reference in this act to an
9 employer's "experience record" or "rating account" shall be con-
10 strued to include reference to the employer's experience
11 account. But this act shall not be construed to grant an
12 employer or individuals in the employer's service prior claims or
13 rights to the amount paid by the employer to the unemployment
14 compensation fund. All contributions to that fund shall be
15 pooled and available to pay benefits to any individual entitled
16 to the benefits under this act, irrespective of the source of the
17 contributions.

18 (2) The nonchargeable benefits account shall be credited
19 with the following:

20 (a) All net earnings received on money, property, or securi-
21 ties in the fund.

22 (b) Any positive balance remaining in the employer's
23 experience account as of the second June 30 computation date
24 occurring after the employer has ceased to be subject to this act
25 or after the employer has elected to change from a contributing
26 employer to a reimbursing employer.

1 (c) The proceeds of the nonchargeable benefits component of
2 employers' contribution rates determined as provided in section
3 19(a)(5).

4 (d) All reimbursements received under section 11(c).

5 (e) All amounts which may be paid or advanced by the federal
6 government under section 903 OF TITLE IX or section 1201 OF TITLE
7 XII of the social security act, 42 U.S.C. 1103 and 1321, to the
8 account of the state in the federal unemployment trust fund.

9 (f) All benefits improperly paid to claimants which have
10 been recovered and which were previously charged to an employer's
11 account.

12 (g) Any benefits forfeited by an individual by application
13 of section 62(b).

14 (h) The amount of any benefit check, any employer refund
15 check, or any claimant restitution refund check duly issued which
16 has not been presented for payment within 1 year after the date
17 of issue.

18 (i) Any other unemployment fund income not creditable to the
19 experience account of any employer.

20 (j) Any negative balance transferred to an employer's new
21 experience account pursuant to this section.

22 (k) Amounts transferred from the contingent fund pursuant to
23 section 10.

24 (3) The nonchargeable benefits account shall be charged with
25 the following:

26 (a) Any negative balance remaining in an employer's
27 experience account as of the second June 30 computation date

1 occurring after the employer has ceased to be subject to this act
2 or has elected to change from a contributing employer to a reim-
3 bursing employer.

4 (b) Refunds of amounts erroneously collected due to the non-
5 chargeable benefits component of an employer's contribution
6 rate.

7 (c) All training benefits paid under section 27(g) not reim-
8 bursable by the federal government and based on service with a
9 contributing employer.

10 (d) Any positive balance credited or transferred to an
11 employer's new experience account pursuant to this subsection.

12 (e) Repayments to the federal government of amounts advanced
13 by it under section 1201 OF TITLE XII of the social security act,
14 42 U.S.C. 1321, to the unemployment compensation fund estab-
15 lished by this act.

16 (f) The amounts received by the fund under section 903 of
17 TITLE IX OF the social security act, 42 U.S.C. 1103, that may be
18 appropriated to the commission in accordance with subsection
19 (9).

20 (g) All benefits determined to have been improperly paid to
21 claimants which have been credited to employers' accounts in
22 accordance with section 20(a).

23 (h) The amount of any substitute check issued to replace an
24 uncashed benefit check, employer refund check, or claimant resti-
25 tution refund check previously credited to this account.

26 (i) The amount of any benefit check issued which would be
27 chargeable to the experience account of an employer who has

1 ceased to be subject to this act, and who has had a balance
2 transferred from the employer's experience account to the sol-
3 vency or nonchargeable benefits account.

4 (j) All benefits which become nonchargeable to an employer
5 under section 29(3) or section 19(b) or (c).

6 (k) For benefit years beginning before the conversion date
7 prescribed in section 75, with benefits allocated under section
8 20(d)(2) for a week of unemployment in which a claimant earns
9 remuneration with a contributing employer which equals or exceeds
10 the amount of benefits allocated to that contributing employer,
11 and for benefit years beginning after the conversion date pre-
12 scribed in section 75, with benefits allocated under
13 section 20(d)(3) for a week of unemployment in which a claimant
14 earns remuneration with a contributing employer which equals or
15 exceeds the amount of benefits allocated to that contributing
16 employer.

17 (l) Benefits that are nonchargeable to an employer's account
18 in accordance with section 20(i).

19 (M) BENEFITS PAID TO A CLAIMANT IN ACCORDANCE WITH AN INTER-
20 STATE ARRANGEMENT FOR COMBINING EMPLOYMENT AND WAGES THAT ARE
21 NONCHARGEABLE TO AN EMPLOYER'S ACCOUNT UNDER SECTION 20.

22 (4) The commission shall include in each of its annual
23 reports a statement of the condition of the nonchargeable bene-
24 fits account, its classified transactions and its contingent
25 liabilities as specified in section 18(c). The statement shall
26 also show, as of the most recent June 30, the number of the
27 employer experience accounts showing negative balances, and the

1 amount of those balances, classified by the industry, by the
2 annual total and annual taxable payroll, by amount of negative
3 balance, and by the duration of coverage under this act of the
4 employers involved.

5 (5) All contributions paid by an employer shall be credited
6 to the unemployment compensation fund, and, except as otherwise
7 provided with respect to the proceeds of the nonchargeable bene-
8 fits component of employers' contribution rates by section
9 19(a)(5), to the employer's experience account, as of the date
10 when paid. However, those contributions paid during any July
11 shall be credited as of the immediately preceding June 30.
12 Additional contributions paid by an employer as the result of a
13 retroactive contribution rate adjustment, solely for the purpose
14 of this subsection, shall be credited to the employer's
15 experience account as if paid when due, if the payment is
16 received within 30 days after the issuance of the initial assess-
17 ment which results from the contribution rate adjustment and a
18 written request for the application is filed by the employer
19 during this period.

20 (6) If an employer who has ceased to be subject to this act,
21 and who has had a positive balance transferred as provided in
22 subsection (2) from the employer's experience account to the sol-
23 vency or nonchargeable benefits account as of the second computa-
24 tion date after the employer has ceased to be subject to this
25 act, shall thereafter again become subject to this act within 6
26 years after that computation date, the employer may apply, within
27 60 days after the commission's determination that the employer is

1 again subject to this act, to the commission to have the positive
2 balance, adjusted by the debits and credits as have been made
3 subsequent to the date of transfer, credited to the employer's
4 new experience account. If the application is timely, the com-
5 mission shall credit the positive balance to the employer's new
6 experience account.

7 (7) If an employer's status as a reimbursing employer is
8 terminated within 6 years after the date the employer's
9 experience account as a prior contributing employer was trans-
10 ferred to the solvency or nonchargeable benefits account as pro-
11 vided in subsection (2) or (3) and the employer continues to be
12 subject to this act as a contributing employer, any positive or
13 negative balance in the employer's experience account as a prior
14 contributing employer, which was transferred to the solvency or
15 nonchargeable benefits account, shall be transferred to the
16 employer's new experience account. However, an employer who is
17 delinquent with respect to any reimbursement payments in lieu of
18 contributions for which the employer may be liable shall not have
19 a positive balance transferred during the delinquency.

20 (8) If a balance is transferred to an employer's new account
21 under subsection (6) or (7), the employer shall not be considered
22 a "qualified employer" until the employer has again been subject
23 to this act for the period set forth in section 19(a)(1).

24 (9) All money credited under section 903 OF TITLE IX of the
25 social security act, 42 U.S.C. 1103, to the account of the state
26 in the federal unemployment trust fund shall immediately be
27 credited by the commission to the fund's nonchargeable benefits

1 account. There is authorized to be appropriated to the
2 commission from the money credited to the nonchargeable benefits
3 account under this subsection, sums found necessary for the
4 proper and efficient administration by the commission of this act
5 for purposes for which federal grants under ~~Title 3~~ TITLE III
6 of the social security act, 42 U.S.C. 501 to 504, and the
7 Wagner-Peyser ~~national employment system~~ act, CHAPTER 49, 96
8 STAT. 1392, 29 U.S.C. 49 to ~~49k~~ 49c AND 49d TO 49l-1, are not
9 available or are insufficient. The appropriation shall expire
10 not more than 2 years after the date of enactment and shall pro-
11 vide that any unexpended balance shall then be credited to the
12 nonchargeable benefits account. An appropriation shall not be
13 made under this subsection for an amount which exceeds the
14 "adjusted balance" of the nonchargeable benefits account on the
15 most recent computation date. Appropriations made under this
16 subsection shall limit the total amount which may be obligated by
17 the commission during a fiscal year to an amount which does not
18 exceed the amount by which the aggregate of the amounts credited
19 to the nonchargeable benefits account under this subsection
20 during the fiscal year and the 24 preceding fiscal years, exceeds
21 the aggregate of the amounts obligated by the commission pursuant
22 to appropriation under this subsection and charged against the
23 amounts thus credited to the nonchargeable benefits account
24 during any of the 25 fiscal years and any amounts credited to the
25 nonchargeable benefits account which have been used for the pay-
26 ment of benefits.