

HOUSE BILL NO. 5008

September 18, 2025, Introduced by Reps. Xiong, Weiss, Breen, T. Carter, Tsernoglou, Young, McKinney, Longjohn, Rheingans, Hoskins, Price, Skaggs, Mentzer, Morgan, Scott, Miller, Koleszar, Andrews, Wooden, Wegela and Pohutsky and referred to Committee on Economic Competitiveness.

A bill to amend 1936 (Ex Sess) PA 1, entitled
"Michigan employment security act,"
by amending section 62 (MCL 421.62), as amended by 2024 PA 238.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 62. (a) Subject to subsection (h), if the unemployment
2 insurance agency determines that an individual has obtained
3 benefits to which the individual is not entitled, or a subsequent
4 determination by the agency or a decision of an appellate authority
5 reverses a prior qualification for benefits, the agency may recover

1 a sum equal to the amount received plus interest ~~pursuant to~~ **in**
 2 **accordance with** section 15(a) by 1 or more of the following
 3 methods: deduction from benefits or wages payable to the
 4 individual, payment by the individual in cash, or deduction from a
 5 tax refund payable to the individual as provided under section 30a
 6 of 1941 PA 122, MCL 205.30a. Deduction from benefits or wages
 7 payable to the individual is limited to not more than ~~50%~~ **20%** of
 8 each payment due the claimant. The unemployment insurance agency
 9 shall issue a determination requiring restitution ~~within~~ **not more**
 10 **than** 3 years after the date of finality of a determination,
 11 redetermination, or decision reversing a previous finding of
 12 benefit entitlement. Except ~~in the case of~~ **if** benefits **are**
 13 improperly paid because of suspected identity fraud, the
 14 unemployment insurance agency shall not initiate administrative or
 15 court action to recover improperly paid benefits from an individual
 16 more than 3 years after the date that the last determination,
 17 redetermination, or decision establishing restitution is final.
 18 Except ~~in the case of~~ **if** benefits **are** improperly paid because of
 19 suspected identity fraud, the unemployment insurance agency shall
 20 issue a restitution determination on an issue ~~within~~ **not more than**
 21 3 years ~~from~~ **after** the date the claimant first received benefits in
 22 the benefit year in which the issue arose, or ~~in the case of~~ **if**
 23 **there is** an issue of intentional false statement,
 24 misrepresentation, or concealment of material information in
 25 violation of section 54(a) or (b) or sections 54a to 54c, ~~within~~
 26 **not more than** 3 years after the receipt of the improperly paid
 27 benefits unless the unemployment insurance agency filed a civil
 28 action in a court within the 3-year period; the individual made an
 29 intentional false statement, misrepresentation, or concealment of

1 material information to obtain the benefits; or the unemployment
2 insurance agency issued a determination requiring restitution
3 within the 3-year period. The time limits in this section do not
4 prohibit the unemployment insurance agency from pursuing collection
5 methods to recover the amounts found to have been improperly paid.
6 Except in a case of an intentional false statement,
7 misrepresentation, or concealment of material information, the
8 unemployment insurance agency shall waive recovery of an improperly
9 paid benefit if repayment would be contrary to equity and good
10 conscience and shall waive any interest. As used in this
11 subsection, "contrary to equity and good conscience" means any of
12 the following:

13 (i) The claimant provided incorrect wage information without
14 the intent to misrepresent, and the employer provided either no
15 wage information upon request or provided inaccurate wage
16 information that resulted in the overpayment. A waiver granted
17 under the conditions described in this subdivision applies from 30
18 days after the incorrect wage information was first reported to the
19 unemployment insurance agency.

20 (ii) The claimant's average net household income and household
21 cash assets, exclusive of social welfare benefits and unemployment
22 insurance benefits, were, during the 6 months immediately preceding
23 the date of the application for waiver, at or below 150% of the
24 annual update of the poverty guidelines most recently published in
25 the Federal Register by the United States Department of Health and
26 Human Services under the authority of 42 USC 9902(2), and the
27 claimant has applied for a waiver under this subsection. The
28 unemployment insurance agency shall not consider more than 3
29 additional hardship waiver applications from a claimant in a

1 calendar year after receiving an application for a waiver from the
2 claimant. A claimant may not file a new hardship waiver application
3 until a determination, redetermination, administrative decision, or
4 judicial decision regarding the initial application for waiver is
5 final. A waiver granted under the conditions described in this
6 subdivision applies from the date the application is filed. If the
7 waiver is granted, the unemployment insurance agency shall promptly
8 refund any restitution or interest payments made by the individual
9 after the date of the application for waiver. The unemployment
10 insurance agency shall not deny or refuse to consider an
11 application for a waiver of restitution submitted by a claimant for
12 any matter that has received a final adjudication solely because
13 the claimant has a pending appeal of 1 or more matters that
14 generated the overpayment under consideration to be waived. As used
15 in this subdivision:

16 (A) "Cash assets" means cash in excess of \$100,000.00 in a
17 checking or savings account, not including wages reported during
18 that period.

19 (B) "Dependent" means that term as defined in section
20 27(b) (4) .

21 (C) "Household" means a claimant and the claimant's
22 dependents.

23 (iii) The improper payments resulted from an administrative or
24 clerical error by the unemployment **insurance** agency. A requirement
25 to repay benefits as the result of a change in judgment at any
26 level of administrative adjudication or court decision concerning
27 the facts or application of law to a claim adjudication is not an
28 administrative or clerical error for purposes of this subdivision.
29 A waiver granted under the conditions described in this subdivision

1 applies from the date that the administrative or clerical error
2 occurred. If the date the error occurred cannot be determined, the
3 waiver applies from the first day of the first week that the
4 improper payments for which the waiver is being sought began.

5 (b) If the unemployment insurance agency determines that a
6 claimant has intentionally made a false statement or
7 misrepresentation or has concealed material information to obtain
8 benefits, whether or not the claimant obtains benefits by or
9 because of the intentional false statement, misrepresentation, or
10 concealment of material information, the unemployment insurance
11 agency shall, in addition to any other applicable interest and
12 penalties, cancel the claimant's rights to benefits for the benefit
13 year in which the act occurred as of the date the claimant made the
14 false statement or misrepresentation or concealed material
15 information, and shall not use wages used to establish that benefit
16 year to establish another benefit year. A chargeable employer may
17 protest a claim filed after October 1, 2014 to establish a
18 successive benefit year under section 46(c), if there was a
19 determination by the unemployment insurance agency or decision of a
20 court or administrative tribunal finding that the claimant made a
21 false statement, made a misrepresentation, or concealed material
22 information related to the claimant's report of earnings for a
23 preceding benefit year claim. If a protest is made, the
24 unemployment insurance agency shall not use any unreported earnings
25 from the preceding benefit year that were falsely stated,
26 misrepresented, or concealed to establish a benefit year for a
27 successive claim. Before receiving benefits in a benefit year
28 established ~~within~~ **not more than** 4 years after cancellation of
29 rights to benefits under this subsection, the claimant, in addition

1 to making the restitution of benefits established under subsection
2 (a), may be liable for an additional amount as otherwise determined
3 by the unemployment insurance agency under this act, which may be
4 paid by cash, deduction from benefits, or deduction from a tax
5 refund. The claimant is liable for any fee the federal government
6 imposes with respect to instituting a deduction from a federal tax
7 refund. Restitution resulting from the intentional false statement,
8 misrepresentation, or concealment of material information is not
9 subject to the ~~50%~~ **20%** limitation provided in subsection (a).

10 (c) Any determination made by the unemployment insurance
11 agency under this section is final unless an application for a
12 redetermination is filed in accordance with section 32a.

13 (d) The unemployment insurance agency shall take the action
14 necessary to recover all benefits improperly obtained or paid under
15 this act, and to enforce all interest and penalties under
16 subsection (b). The unemployment insurance agency may conduct an
17 amnesty program for a designated period under which penalties and
18 interest assessed against an individual owing restitution for
19 improperly paid benefits may be waived if the individual pays the
20 full amount of restitution owing within the period specified by the
21 agency.

22 (e) Interest recovered under this section must be deposited in
23 the contingent fund.

24 (f) The unemployment insurance agency shall not make a
25 determination that a claimant made an intentional false statement,
26 misrepresentation, or concealment of material information that is
27 subject to sanctions under this section based solely on a computer-
28 identified discrepancy in information supplied by the claimant or
29 employer. An unemployment insurance agency employee or agent must

1 examine the facts and independently determine that the claimant or
2 the employer is responsible for a willful or intentional violation
3 before the agency makes a determination under this section.

4 (g) By January 31 each year, ~~beginning in 2019,~~ the
5 unemployment insurance agency shall provide a written report
6 regarding waivers under subsection (a) (ii) to the chairpersons of
7 the standing committees and the appropriations subcommittees of the
8 house of representatives and senate having jurisdiction over
9 legislation pertaining to employment security. The report must
10 include all of the following information from the immediately
11 preceding calendar year in a form that does not identify an
12 individual, claimant, or employer:

13 (i) The procedures relating to waivers that the unemployment
14 insurance agency used or adopted.

15 (ii) The number of applications for a waiver the unemployment
16 insurance agency received.

17 (iii) The number of individuals who submitted an application for
18 a waiver.

19 (iv) The number of waivers that were granted by each of the
20 following methods:

21 (A) An unemployment insurance agency determination.

22 (B) An unemployment insurance agency redetermination.

23 (C) An administrative law judge order.

24 (D) A Michigan compensation appellate commission order.

25 (E) A court order.

26 (v) The number of waivers that were denied, tabulated by the
27 reason for the denial, by each of the following methods:

28 (A) An unemployment insurance agency determination.

29 (B) An unemployment insurance agency redetermination.

1 (C) An administrative law judge order.

2 (D) A Michigan compensation appellate commission order.

3 (E) A court order.

4 (vi) The total amount of restitution waived.

5 (h) The unemployment insurance agency shall not initiate
6 recovery of improperly paid benefits under subsection (a) until the
7 unemployment insurance agency has reviewed the claim for
8 eligibility to receive a waiver under subsection (a) (i) and (iii) to
9 which the claimant may be entitled and issued a notice to the
10 claimant that includes all of the following information:

11 (i) A determination of eligibility for each waiver for which
12 eligibility was considered or, if a determination could not be
13 reached, the information the unemployment insurance agency needs to
14 make a determination.

15 (ii) The consequences of each determination on the claimant's
16 benefit rights and any overpayment owed, including the issue or
17 matter generating the overpayment and the weeks of benefits
18 affected.

19 (iii) The claimant's protest and appeal rights with respect to
20 the determination or redetermination on the claimant's eligibility
21 for a waiver and the underlying determination or redetermination
22 that generated the overpayment.

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