

Wage Detail Penalty Amounts

Section 54(c)(2) of the Michigan Employment Security (MES) Act, provides for late penalties and non-filing penalties for the wage detail report information. The wage detail report penalties will be charged as follows:

- A \$50.00 penalty will be charged if the *Employer's Quarterly Wage/Tax Report* (combined tax and wage report), due for that quarter is untimely, incorrect, or erroneous, and if filed no later than 30 days after the date the report is due.
- If the untimely, incorrect or erroneous report is filed more than 1 calendar quarter after the date the report was due, a \$250.00 penalty will be charged.
- An additional \$250.00 will be charged for each calendar quarter that the report remains unfiled.
- No penalties will apply if the employer files a corrected report within 14 days after notification by the Agency of an error.
- If a wage report for a prior quarter is received late, the penalty will still be \$25.00.

Section 54(c)(3) of the MES Act allows cancellation of late or non-filing penalties for the wage report by providing the following:

If a report is filed after the prescribed time and it is shown to the satisfaction of the Commission (now UIA) that the failure to submit the report was due to reasonable cause, a fine shall not be imposed. The assessment of a fine as provided in this subsection constitutes a final determination unless the employer files an application with the unemployment agency for a redetermination of the assessment in accordance with section 32a.

Application for Redetermination of Penalties

Under Section 54(c)(3) of the MES Act, if an employer shows the failure to file or late filing was due to a reasonable cause, the Agency shall not impose a fine.

The employer must apply for a redetermination within 30 days of receiving the penalty assessment. A written application for redetermination must be submitted to the Unemployment Insurance Agency, P O Box 8068, Royal Oak, MI 48068-8068. Also, the request for redetermination can be filed through MiWAM (Michigan Web Account Manager).

Regardless of an employer's ability to pay, it is highly recommended that employers file their combined wage/tax reports on time to avoid these penalties. If an employer is unable to pay their taxes in full when due, payment plans are available. Employers should contact TaxCollections@michigan.gov for details or to establish a payment plan.

For more information, employers may call the UIA Office of Employer Ombudsman (OEO) at either 1-855-484-2636 (4-UIAOEO) or 1-313-456-2300, or e-mail OEO@michigan.gov.