



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
UNEMPLOYMENT INSURANCE AGENCY  
STEVE ARWOOD  
DIRECTOR

STEVEN H. HILFINGER  
DIRECTOR

Date: December 27, 2011

Dear Employer:

As you may know, there have been numerous amendments to the *Michigan Employment Security Act*, which are included in Public Acts 267, 268 and 269 of 2011. Some of these changes affect the 2012 Tax Rate Determinations, and therefore there will be a delay in their mailing.

There are programming changes that must be made to the Unemployment Insurance Agency's computer system. Some changes to Form UIA 1771, Tax Rate Determination for Calendar Year 2012, will also be required. Below are the changes:

- 1) The Chargeable Benefits Component (CBC) calculation changes from 60 months (5 years) to 48 months (4 years) for fully-experienced employers.
- 2) Only the first year of liability will be rated at 2.7%
- 3) Employers with 4 or more years of experience (fully experienced), who had at least 12 (formerly 8) consecutive quarters of no workers in covered employment, will be rated at 2.7% only for the first year of liability.
- 4) Taxable wage base will be shown as \$9,500.00

The Agency is currently making all necessary updates to the computer system to ensure that the 2012 tax rates are calculated correctly and are ready to be mailed by the end of January 2012. This will allow you plenty of time to calculate and pay your first quarter taxes on time (by April 25, 2012).

Thank you for your patience as we diligently work to ensure that your tax rate determination is accurate. For more information about the 2012 Tax Rate Determinations, you may call the UIA Office of Employer Ombudsman (OEO) at either 1-855-484-2636 (4-UIAOEO) or 1-313-456-2300, or email [OEO@michigan.gov](mailto:OEO@michigan.gov).

Sincerely,

Steve Arwood, Director  
Unemployment Insurance Agency