

1107 Frequently Asked Questions

Why am I receiving Form 1107, Notice of Error in Reported Wages/Taxes?

- 1 - A math error was discovered in the calculated taxable wages
- 2 – A wage error or omission on the wage portion
- 3 – Both

What kind of math errors will generate an 1107?

- If the employer made a math error in calculating their gross wages, excess wages or taxable wages, (for instance, gross wages minus excess wages does not equal taxable wages), the employer would receive an 1107.
- If the computer-system calculated gross wages do not equal what the employer reported gross wages on the 1028, the employer would receive an 1107.
- If the employer completes a section of the 1028 but not the other required section(s), the employer would receive an 1107.
- If the employer used the incorrect taxable wage base which was raised from \$9000 to \$9500 effective January 1, 2012 to calculate excess wages, the employer would receive an 1107.
- Effective January 1, 2012, the computer system is now tracking wages. If the employer uses the incorrect amount for excess wages, the employer would receive an 1107.

What kind of wage errors will generate an 1107?

Below is a list of wage errors that will cause the 1107 to be issued:

1028 Section 2	Rule Type	Validation Rule
Social Security No.	Required	SSN is left blank
	Error	SSN is incomplete or partially filled
	Error	SSN is listed multiple times within the same report

1028 Section 2	Rule Type	Validation Rule
	Error	SSN cannot contain <ul style="list-style-type: none"> • First three digits of 000 or 666 • First digit of 9, within certain ranges • Fourth and fifth digit of 00 • Last four digits cannot be 0000
Last Name	Required	Last name is left blank
	Error	Last name must be at least two characters in length
First Name	Required	First name is left blank
Gross Wages	Error	Must be zero or a positive number

When should an employer file an amended report?

- Employers **MAY** file an Amended Report when they disagree with the computer-system calculated figures listed on the 1107.
- Employers **MUST** file an Amended Report when wage errors are listed on the 1107.

What form must employers use to amend their tax or wage report?

Employers must file an amended report using Form UIA 1028, *Employer’s Quarterly Wage/Tax Report*. The 1020, 1021, 1020-R, 1021-R, 1017, and 1019 are all now obsolete.

Employers do not need to resubmit their entire 1028 again if they only have one wage error and report on MiWAM.

- Employers are encouraged to amend their report on the Michigan Web Account Manager (MiWAM). They can view the 1028 data that was keyed, open the report, make the single-line correction and then submit the amended report.
- Effective January 1, 2013 employers with more than 25 employees will be required to submit their quarterly reports on MiWAM.
- Effective January 1, 2014, employers with more than 5 employees will be required to submit their quarterly reports on MiWAM.

1028 Reminders

- UIA 1028 became effective with 3rd Quarter of 2012; Forms 1020 and 1017 are no longer accepted.
- UIA 1028 is returned to the employer unfiled if more than 25 employees are reported.
- The Employee Count boxes in Section 1 pertain to the number of employees that worked each month of the quarter, counted on the 12th of each month.
- Please be sure to note the correct quarter in Section 1.
- When using Form 1028 to amend, use the correct wages (and not the negative wages).
- When amending, include *all* employees' information, not just the employees with changes, when filing in paper.
- The full social security numbers of the employees must be listed as well as complete names.
- Please make certain the social security numbers listed are accurate each quarter. If an SSN changes from one quarter to the next, the computer system will see the change in the SSN as a new employee; and that distorts the excess wages originally calculated by the employer and generates an 1107.
- Please make certain the employee and social security number are listed only once on the 1028. If they are listed twice, an 1107 is generated with the error reason, "Duplicate SSN".
- All data must be legible, or incorrect information may be data entered.
- The Apportionment selection box is available on MiWAM or pre-printed UIA 1028's for the 1st Quarter of each year only.

When will employers incur the \$50 wage penalty?

- Beginning the 3Q2012, Employers will incur the \$50 wage penalty if they fail to file Form 1028 by the due date.
- Employers who are notified of wage errors on their 1107 have 14 days from the mail date of the 1107 to correct the wage errors or a \$50 penalty will be assessed.

When will employers incur the \$250 wage penalty?

- Beginning the 3Q2012, Employers will incur the \$250 penalty if the wage report (1017 or 1028 which was not submitted for the 3Q2012) is still unsubmitted by the next quarter end date.
- Beginning 3Q2012, Employers will incur the \$250 penalty for failing to correct identified wage errors on the 1107 by the next quarter end date.

If an employer is notified of multiple wage errors on their 1107 and corrects all but one, will the \$250 penalty be assessed?

- YES – **ALL** errors must be corrected within 14 days of the mail date of the 1107 or the \$250 penalty will be assessed by the next quarter end date.

Why would an employer receive a Negligence Penalty?

The Negligence Penalty is 5% of taxes due and is applied if the employer failed to file the 1028 within 30 days of the Determination of Willful Neglect. The penalty amount is explained in the Determination of Willful Neglect and Notice of Estimated Tax Liability.

Form 1107, Notice of Error in Reported Wages

When the computer system determines that reports must be adjusted, it will automatically adjust the total, excess, and/or taxable wages and issue Form 1107, *Notice of Error in Reported Wages*, stating the adjustments made, why adjustments were necessary, and the resulting financial impacts on the account.

Automated correction notices will only occur if the adjustments were made by the system and would be sent to the customer via their preferred method of receiving correspondence.

Changes cannot be submitted on Form 1107. It is the responsibility of the employer to submit correct wage information on an Amended 1028.

EMPLOYER'S AMENDING THEIR QUARTERLY REPORTS MUST RESUBMIT THE ENTIRE REPORT (unless correcting a single wage error through MiWAM).

The computer system cannot identify amended wages. Amended reports will completely overlay the most recently posted report. If an employer submits **only** the amended wages, **only** the amended wages will be posted and tax will be recalculated on **only** those amended wages.

In addition to amended reports, an original report attempting to post over another original that is not an exact duplicate will be treated as an amended report. Exact duplicates will be marked with a Report Status of “Duplicate Report” and post to the account for informational purposes.

The computer system stores both employer reported original and amended report values and system calculated report values for all report types within the report document and viewable through report history.

What is the most efficient way for employers to make a payment?

Making a payment through MiWAM is the most efficient and safest way to make a payment to the Agency. E-payment options are available. Both ACH Debit and ACH Credit are available and convenient for employer use.

*Fact Sheet #154 and Common ACH Credit Error sheet are included in the informational packet.

What if an employer wants to file a report online and mail in their tax payment?

A payment coupon is available through MiWAM for the employer to print out and send in with their payment. The coupon will ensure the payment is posted to the right account.

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