

FACT SHEET #153 APRIL 2018

Penalties

Wage Penalties

Quarterly wage reports (Quarterly Wage/Tax Reports) are due on the 25th of the month following the end of the quarter (03/31, 06/30, 09/30, 12/31). When wage detail report information is not received, late penalties and non-filing penalties will apply.

- If the untimely, incorrect, or erroneous report is filed late but within 30 days of the due date, a \$50 penalty will be charged.
- If the untimely, incorrect, estimated, or erroneous report is filed more than 1 calendar quarter after the due date, 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 the notification of an error.

Late Penalties

Reports not received within 10 days after the end of the reporting month (see above) will be charged 10% of the taxes due on the reports but not less than \$5.00 or more than \$25.00 for a report.

Non-Filing Penalty (Non-Reporting Penalty)

- If no reports are submitted for the computation period (the twelve months ending the previous June 30) the account is assigned the maximum tax rate (based on the employer's year of liability), plus a three percent (3.0%) non-reporting penalty.
- If at least one, but not all tax reports are submitted for the computation period, a calculated tax rate (based on the information that is presently posted to his/her account) is assigned plus a three percent (3.0%) non-reporting penalty.
- If all outstanding tax reports are submitted within the 30-day protest/appeal period (30 days from the mail date of the rate notice in question) the account receives a recalculated rate without penalty.
- If the outstanding tax reports are submitted after the 30-day protest/appeal period but within one year, the rate is recalculated plus a two percent (2.0%) non-reporting penalty. If "Good Cause" is established, the penalty is waived. **"Good Cause" does not exist after a year has expired.**
- If any missing reports are filed after one year, the rate is recalculated plus a three percent (3.0%) non-reporting penalty.

Redetermination of Penalties

The assessment of a penalty constitutes a final determination unless the employer requests a redetermination of the assessment. Employers must request a redetermination within 30 days of receiving the penalty assessment.

A written request for redetermination must be submitted to the Unemployment Insurance Agency, P O Box 8068, Royal Oak, MI 48068-8068. The request for redetermination may also be filed online through the Michigan Web Account Manager (MiWAM).

Regardless of an employer's ability to pay, it is highly recommended that employers file their combined wage/tax reports on time to avoid a penalty. 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 request a payment plan.

For more information, employers may call the UIA's Employer Customer Service at 1-855-484-2636.