

FACT SHEET # 171 January 2019

Frequently Asked Questions about Form UIA 1107 – Notice of Error in Reported Wages/Taxes

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

- A math error was discovered in the wages reported on your *Employer's Quarterly Wage/Tax Report*, or
- A wage error or **omission of employee(s)** on the wage portion of *Employer's Quarterly Wage/Tax Report* caused the mismatch between reported gross, excess, and/or taxable wages and the UIA calculated gross, excess, and/or taxable wages, or
- Missing wage information from a prior quarter in the same calendar year caused a difference in the excess wage calculation for an employee.

Is Form UIA 1107 a bill that I must pay?

No. It is a notification of a possible error on a previously filed tax/wage report

What kinds of wage errors will generate a Form UIA 1107?

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

Field	Error Message	Reason
Social Security Number	Required	SSN is left blank
	Error	SSN is incomplete or partially filled
	Error	SSN is listed multiple times within the same report
	Error	SSN cannot contain <ul style="list-style-type: none">• First three digits of 000 or 666• 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 – first name must be at least 1 character in length
Gross Wages	Error	Must be zero or a positive number

Note: (1) If the employee only has one name (first or last), then the same name should be entered in both the last and first name fields for the employee. (2) If an employee is no longer available and the employer cannot secure the correct SSN, as required by Section 13(2) of the Michigan Employment Security Act, contact the UIA Office of Employer Ombudsman (OEO) for assistance with this issue.

What happens as a result of an audit finding or proof of wage adjustment resulting in a missing or incorrect social security number being added to a quarter(s)?

- During an audit a misclassified worker or casual labor was discovered without a social security number.
- As a result of an unemployment claim it was discovered that another worker was using the same social security number resulting in the removal of the social security number on the worker that cannot verify the social security number is theirs.
- A \$250 penalty will be assessed for that quarter and will accumulate for each additional quarter the correction to the incorrect or missing SSN is not made. See **Note (2)** above. Also see **Fact Sheet #159: How to Stop Penalties** on how to submit an affidavit.

If I don't resolve these issues, what will happen?

You will be subject to the following penalties:

- \$50 for each untimely report, incomplete report, or erroneous report if the report is filed more than 14 days after the notification of the error is mailed.

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- \$250 if the report is filed more than 1 calendar quarter after the date the report is due, and an additional \$250 for each additional calendar quarter the report is late, still incomplete or containing errors.
- Remember, an untimely report does not generate a Form UIA 1107, but you do need to be aware of the penalties that can be charged to your unemployment tax account.

When did the assessment of the \$50 wage penalty begin?

Public Act 269 of 2011 increased the penalty assessments for late UIA reports. Employers incur a \$50 wage penalty if the *Employer's Quarterly Wage/Tax Report* was not filed within 30 days of the report due date. Employers who are notified of wage errors on their *Employer's Quarterly Wage/Tax Report* have 14 days from the mail date of the Form UIA 1107 to correct the wage errors or a \$50 penalty will be assessed.

When will employers incur the \$250 wage penalty?

- Public Act 269 of 2011 also provided for a \$250 penalty if the *Employer's Quarterly Wage/Tax Report* was filed more than 1 calendar quarter after the date the report is due, and
- Employers are charged the \$250 penalty for failing to correct wage errors identified on the Form UIA 1107 by the next quarter due date.

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

Yes. **ALL** errors must be corrected within 14 days of the mail date of the Form UIA 1107 or the \$250 penalty will be assessed by the next quarter due date. An additional \$250 penalty is charged for each quarter that the error remains uncorrected.

What kinds of math errors will generate a Form UIA 1107?

- If the employer made a math error in calculating their tax report portion of the Employer's Quarterly Wage/Tax Report; for example, gross wages minus excess wages does not equal taxable wages
- If the UIA's calculated gross wages do not equal what the employer reported for gross wages on their Employer's Quarterly Wage/Tax Report, the UIA will use the employer's reported wage records to calculate gross wages
- If the employer used the incorrect taxable wage base to calculate excess wages
- If out-of-state wages are not reported to Michigan
- If wage amounts, other than wages in excess of the annual taxable wage base have been included in the excess wage amount on *Employer's Quarterly Wage/Tax Report* (this includes making an adjustment for a prior period).

When and how should an employer amend a report?

Employers **MAY** correct/update (amend) a report when they disagree with the UIA-calculated figures listed on Form UIA 1107. Employers **MUST** correct/update (amend) a report when wage errors are listed on Form UIA 1107. Employers should correct/update an *Employer's Quarterly Wage/Tax Report* online through MiWAM.

What if an employer only has a minor change to the wage report?

Employers can view the wage data on MiWAM and just modify the entries that are incorrect.

For more information, call the UIA Office of Employer Ombudsman (OEO) at 1-855-484-2636 (4-UIAEOE).