

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

WORKERS' COMPENSATION AGENCY

GENERAL RULES

Filed with the Secretary of State on March 4, 2013

These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

(By authority conferred on the director of the workers' compensation agency by section 205 of 1969 PA 317, MCL 418.205; section 48 of 1969 PA 306, MCL 24.248; and, Executive Reorganization Order Nos. 1996-2, 1999-3, 2002-1, and 2003-1, MCL 445.2001, 418.3, 445.2004, and 445.2011)

R 408.48 and R 408.59 of the Michigan Administrative Code are amended as follows:

PART 4. MISCELLANEOUS

R 408.48 Compensation payments; calculation; payment.

Rule 18. (1) Pursuant to section 313(1) of the act, the calculation of federal income tax, federal insurance contribution act tax, and state income tax shall be based on the federal income tax schedule, federal insurance contribution act tax, and state income tax rate in effect on the applicable July 1 for which the after-tax weekly wage is determined. The state law in effect on the applicable July 1 shall be conclusive in the determination of the after-tax weekly wage for that calendar year.

(2) Weekly payments shall be made payable by check and mailed or electronically transferred directly to the injured employee or the injured employee's dependent, pursuant to subrule (3) of this rule. When the claimant is represented by counsel, the accrued compensation shall be made payable by check to the person or persons entitled to compensation and mailed to the attorney representing the person or persons.

(3) Weekly compensation payments may be made by an electronic transfer when both of the following have occurred:

(a) The claimant consents to and authorizes in writing the use of electronic transfer payments. This authorization shall include acknowledgement by the claimant that any amount received through electronic transfer into the claimant's account or the account of the claimant's dependent at a financial institution may be subject to attachment or garnishment.

(b) The electronic transfer is made by 1 of the following methods:

(i) Direct deposit or electronic transfer to the claimant's account or the account of the claimant's dependent at a financial institution.

(ii) Issuance of a debit card to the claimant or the claimant's dependent provided that the financial institution complies with all of the following:

(A) Allows the claimant to receive immediate payment in full at no charge.

(B) Allows at least 1 additional free transaction per pay period for any amount up to the balance accessible through the card.

(C) Fully and prominently discloses any fees and charges.

(D) Prohibits changes in fees or terms of services, as specified in subrule(3)(b)(ii)(F) of this rule to subrule (3)(b)(ii)(G) of this rule. Any other changes to the fees or terms of service may occur when the claimant has received a written notice of these fees at least 21 days prior to the change and the claimant has consented in writing to the change.

(E) Provides a method for the claimant to make an unlimited number of balance inquiries electronically or by telephone and without charge.

(F) Prohibits a link to any form of credit, including a loan against future payments or a cash advance on future payments.

(G) Ensures that the debit card is negotiable at locations easily and readily accessible to the claimant.

(iii) Any other form of payments approved in advance by the director.

(4) A claimant, at any time, may make a request in writing to the employer to change the method of receiving weekly compensation payments established under this rule. The employer shall take no longer than 1 pay period to implement the change after he or she receives the request and any information necessary to implement the request.

## PART 6. DEFINITIONS

R 408.59 Definitions and use of terms.

Rule 29. (1) As used in these rules:

(a) "Act" means 1969 PA 317, MCL 418.101 to 418.941.

(b) "Debit card" means a stored value card issued by a federally insured financial institution that provides a claimant or the dependent of a claimant immediate access for withdrawal or transfer of the claimant's weekly compensation payments through a network of automatic teller machines. "Debit card" includes a card commonly known as a payroll debit card, payroll card, or paycard.

(2) Unless the context of the rule indicates otherwise, the terms "agency" and "director" shall have equivalent meaning.

(3) Terms defined in the act have the same meanings when used in these rules.