



**House
Legislative
Analysis
Section**

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**OVERPAYMENT OF WAGES AND
UNEMPLOYMENT BENEFITS**

House Bills 4150 - 4152

Sponsor: Rep. Walter DeLange

Committee: Human Resources and Labor

Complete to 2-21-95

A SUMMARY OF HOUSE BILLS 4150 - 4152 AS INTRODUCED 1-17-95

The bills would amend three laws to allow the Michigan Employment Security Commission (MESC) or employers to recover overpayment of unemployment benefits or of wages and fringe benefits.

Currently, the Michigan Employment Security Act allows the MESC to recover overpayment of unemployment benefits either by deducting the overpayment from other unemployment benefits due the person or by receiving cash payment from the individual. House Bill 4150 would amend the act (MCL 421.62) to allow the MESC, in addition, to recover unemployment benefit overpayments by deducting the amount from an individual's tax refund, while House Bill 4151 would amend the state income tax act (MCL 205.30a) to allow such seizure of tax refunds to reimburse overpayment of unemployment benefits.

Currently, the state wages and fringe benefits act (P.A. 390 of 1978) prohibits employer deductions from employees' wages without the employee's written consent except in the case of nonprofit organizations making deductions for charitable contributions once authorized in writing from the employee. House Bill 4152 would amend the act (MCL 408.477) to allow employers to recover overpayments of wages or fringe benefits to employees that resulted from clerical or accounting errors by deducting the overpayment from one or more of the employee's subsequent wage payments without the employee's written consent. As currently is the case, the cumulative amount of the deductions could not reduce an employee's gross wages to less than the minimum rate specified by the Minimum Wage Law (Public Act 154 of 1964).

House Bills 4150 - 4152 (2-21-95)