

# State Of Michigan

## Unemployment Insurance (UI)



Unemployment insurance protects workers who lose their jobs through no fault of their own. The funds used to pay workers who are covered under this type of insurance are accumulated from taxes on the wages of employees during their employment. Both state and federal unemployment taxes are paid by employers. No deductions can be made from an employee's wages to cover these taxes.

Any business that employs one or more persons in Michigan is required to register with the Unemployment Insurance Agency (UIA) at 313.456.2180, or 800.638.3994 by the end of the month following the month in which it becomes an employing unit. All employers must register, although not all employers are liable under the law. Liable employers are required to pay state unemployment taxes quarterly at a rate based on a "required reserve" balance and any unemployment insurance benefits paid to employees. A new business will pay 2.7% of the first \$9,000 of every employee's wages for the first two years of liability (new employers in the construction industry may pay a higher rate). When buying a business or buying the assets of an existing business, the rate may be significantly higher.

The Unemployment Agency (UIA) produces an **Employer Handbook** with information about a variety of subjects. To obtain a copy of this publication, mail a \$15 check or money order made payable to the State of Michigan (UIA) to: Unemployment Insurance Agency Handbook, Cadillac Place, 3024 W. Grand Blvd., Suite 13-600, Detroit, Michigan 48202 or you may call 800.638.3994. All orders must be prepaid. A handbook order form can be found at the Unemployment Agency website at <http://www.michigan.gov/uia>

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