

EMPLOYMENT & WAGES

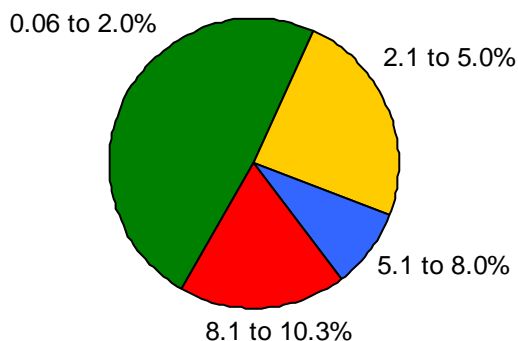
Michigan Unemployment Insurance

- ◆ Michigan's current maximum weekly unemployment benefit is \$362 with a maximum duration of 26 weeks and can be extended an additional 13 weeks during periods of high unemployment.
- ◆ Michigan's unemployment insurance (UI) tax formula is experience-rated and based on the first \$9,000 of an employee's wages.
- ◆ Major deciding factors in determining an employer's UI tax rate are the number of years the employer has been in business and the tenure of their employees; more information can be found at <http://www.michigan.gov/uia/>.
- ◆ The Federal Government levies a 0.8% federal unemployment insurance tax (FUTA) on most employers which goes toward administrative costs and extended benefits.
- ◆ The minimum Michigan UI tax rate is 0.06% and the maximum is 10.3%. Employers in highly cyclical fields with large layoffs typically have higher tax rates. Average UI tax rates for the major industry sectors in Michigan are shown below:

Industry	Average Tax Rate
Construction	8.7%
Mining	7.5%
Manufacturing	6.4%
Agriculture, Forestry and Fishing	6.0%
Transportation, Communication and Utilities	5.0%
Services	4.9%
Finance, Insurance and Real Estate	4.2%
Government	3.7%
Wholesale and Retail Trade	3.7%

- ◆ Nearly half of all employers pay 2% or less in Michigan UI taxes and less than one-fifth of employers pay above 8%. The average rate among all employers is 4.9%.

UI Employer Tax Rate Distribution



Source: Michigan Unemployment Insurance Agency
Updated: September 2009