



MEMORANDUM

To: Members of the Senate Labor Committee

From: Wendy Block, Michigan Chamber
Dave Worthams, Michigan Manufacturers Association
Kelli Saunders, Small Business Association of Michigan

Date: Nov. 12, 2025

Subject: Business Groups Voice Opposition to SB 700

We writing to voice our opposition to **SB 700**, which would prohibit the MI Unemployment Insurance Agency (UIA) from collecting improperly paid unemployment insurance (UI) benefits due to clerical or administrative errors after three years.

While we appreciate the intent to protect claimants from unexpected bills and undue hardship, this proposal undermines the integrity and solvency of the state's 100% employer-financed UI trust fund and exposes the system to increased risk of fraud, waste and abuse.

Employers are required to maintain records and respond to agency audits and collection activities for periods far longer than three years. Eliminating the UIA's authority to correct past errors from claimants would create inconsistent standards and remove incentives for timely and thorough audits by UIA, encouraging delay and potentially allowing improper payments to go uncorrected simply due to administrative backlog.

Rather than barring collections altogether and asking employers to foot the bill of these errors, the Legislature could make a public policy decision and make an appropriation to the UI Trust to cover these claims. An appropriation would fairly recognize that neither employers or employees should be held responsible for the UIA's fiscal mismanagement of the Trust Fund and left paying these improper claims.

The UI program operates as a safety net, funded by employers and designed to protect workers during job loss. Protecting the program's financial integrity benefits both employees and employers. For that reason, we urge you to **vote "No" on SB 700 as written**. Please let us know if you have any questions.

