



2015 Payroll Fact Sheet

2016 Michigan Unemployment Obligation Assessment Rate Calculator

For the convenience of our employer customers, below are instructions to help you figure your 2016 obligation assessment.

The 2016 rates are as follows:

- OA ratio = 0.188239
- Base assessment = \$63.00
- Taxable wage base=\$9,000

The **example** calculation below is based on a fictional employer with a 2016 tax rate of 10.30% and 1,500 employees.

Instructions:

1. Divide your tax rate (10.3) by 100. The result should be 0.103.
2. Next, multiply 0.103 by the OA Ratio of 0.188239 (0.103 X 0.188239). Did you get 0.019389? Good, that's correct. Jot this number down.
3. Now divide the Base Assessment by the Taxable Wage Base (63/9000). You should get 0.007. Next, add this number to the number you saved above and multiply the result by 100. (0.019389 + 0.007 X 100). If you get 2.6389, you're right. Always round up this number to the next hundredths of a percent. So now you should have 2.64.
This is your 2016 OA Rate (2.64%).
4. To obtain your **cost per employee**, multiply this example's OA Rate of 2.64 by the taxable wage base of \$9,000. You should get a cost per employee of \$237.60.
5. To obtain the **total cost for the example employer**, enter the cost per employee of \$237.60 and multiply it by the number of employees, which is 1,500 in this example. You should get \$356,400 as the total cost for the example employer.

Example Results Summary:

- OA Rate = 2.64
- Cost Per Employee = \$237.60
- Total Cost For Employer = \$356,400

*Since most employers qualified for the \$9,000 taxable wage base, this was used in the calculation instead of the higher taxable wage base of \$9,500.