



2017 Payroll Fact Sheet

NEW PROCEDURE FOR UNCLAIMED PROPERTY IN THE STATE OF MICHIGAN

Beginning in 2018 in Michigan, all companies with no unclaimed property will be required to file a zero or negative report. But, what is unclaimed property? Unclaimed property is any asset, tangible or intangible, belonging to a third party that remains unclaimed for a specified period of time by its rightful owner. The forms to be filed are, Form 1223, Annual Report of Unclaimed Cash and Safe Deposit Boxes and Form 2011, Holder Transmittal and Checklist for Annual Report of Unclaimed Property.

Companies will need to identify properties that may be reportable as unclaimed property as of March 31, 2018. By July 3, all companies will need to mail the electronic media containing the annual unclaimed property report and remittance to the Unclaimed Property Division. In filing the reports, all entities reporting ten or more unclaimed property accounts must report via upload, CD-ROM or USB flash drive. Only entities reporting fewer than ten properties will be allowed to file a paper report. However, make sure to keep copies of all reports filed and the supporting documentation on file for ten years.

Have you not filed reports in the past and think you should have? Entities now have the opportunity to voluntarily comply with the requirements of the Michigan Unclaimed Property Act by offering a Voluntary Disclosure Agreement, Form 4869.

From the Michigan Department of Treasury Website:

Most businesses have unclaimed property resulting from normal operations. Any asset, tangible or intangible, belonging to a third party that remains unclaimed for a specified period of time is considered unclaimed property. For example, **uncashed payroll checks must be turned over to the State after one year**; most other property types, such as vendor checks and accounts receivables credit balances, must be turned over after three years. Government entities must turn over all unclaimed property, regardless of property type, after one year.

Michigan's Uniform Unclaimed Property Act, Public Act 29 of 1995, as amended, requires businesses and government entities to report and remit to the Michigan Department of Treasury abandoned and unclaimed property belonging to owners whose last known address is in Michigan. In addition, every business or government entity that is incorporated in Michigan must report and remit abandoned property belonging to owners where there is no known address.

Manual for reporting unclaimed property: http://www.michigan.gov/documents/2013j_2598_7.pdf