

**DEBTS OWING TO OR FOR BENEFIT OF EMPLOYEES (EXCERPT)**  
**Act 213 of 1966**

**408.511 Business suspended by action of creditors or placed in custody of receiver or trustee; debts owing to or for benefit of employees as preferred claims; preferred creditors; contest; processing claim or reducing claim to judgment.**

Sec. 1.

When the business of a person or entity is suspended by the action of creditors, or is placed in the custody of a receiver or trustee, debts owing to or for the benefit of employees of the business, other than officers or directors of the business, which have accrued by reason of their employment, including amounts payable to third persons on account of health, welfare, pension, or profit sharing plans for the benefit of employees, are preferred claims. Such employees or trustees on their behalf are preferred creditors and shall be first paid in full before other unsecured creditors are paid. An interested person may contest any such claim by filing exceptions to it, supported by affidavit, with the officer having the custody of such property. The claim shall be processed or reduced to judgment in accordance with law.

**History:** 1966, Act 213, Eff. Mar. 10, 1967 ;-- Am. 1983, Act 98, Imd. Eff. June 23, 1983