



Kelly Services Supports Prompt End To Unemployment Compensation Tax Dodge

November 24, 2004

TROY, Mich., Nov. 24 -- "The Michigan Legislature should act during the current post-election session to end an unemployment compensation tax dodge that harms both workers and ethical employers," said Carl Camden, President and Chief Operating Officer of Kelly Services, Inc. "Prompt action will save the state unemployment compensation trust fund \$60-\$90 million. Failure to act means those costs will fall on ethical employers, large and small alike."

(Logo: <http://www.newscom.com/cgi-bin/prnh/19991208/KELLYLOGO>)

Camden applauded the constructive efforts of the Michigan Manufacturers Association and the Employers Unemployment Compensation Council (a business coalition of unemployment compensation experts) to gain legislative action yet this year, characterizing those efforts as in the best interests of the state's unemployment compensation trust fund, and long term business climate. "Technically sound action should be achievable by year-end if all stakeholders work together in good faith. Delay should not be an option."

Kelly Services was a leader in the campaign to gain Congressional action earlier this year on the tax dodge called SUTA dumping (for state unemployment tax act). Michigan must enact conforming legislation to comply with the new law. SUTA dumping occurs when employers take steps to disguise their true unemployment experience to falsely qualify for lower unemployment compensation tax rates. Ethical employers must make up the difference.

"Unless the legislature acts promptly, SUTA dumpers will gain one more chance to avoid paying their fair share," Camden said. "The U.S. Congress acted in swift and bi-partisan fashion to pass Federal legislation. Michigan legislators should likewise work to pass sound legislation before the year ends."

About Kelly Services

Kelly Services, Inc. (Nasdaq: KELYA, KELYB) is a Fortune 500 company headquartered in Troy, Mich., offering staffing solutions that include temporary staffing services, staff leasing, outsourcing, vendor on-site and full-time placement. Kelly serves 200,000 customers through 2,500 company owned and operated offices in 26 countries. Kelly provides employment for nearly 700,000 employees annually, with skills including office services, accounting, engineering, information technology, law, science, marketing, light industrial, education, health care and home care. Revenue in 2003 was \$4.3 billion. Visit <http://www.kellyservices.com> .

SOURCE Kelly Services, Inc.

CONTACT: Jim McIntire of Kelly Services, Inc., +1-248-244-5370
Web site: <http://www.kellyservices.com>
(KELYA KELYB)