

Legislative Analysis



UNEMPLOYMENT BENEFITS FOR MILITARY SPOUSES

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6426

Sponsor: Rep. Gino Polidori

House Bill 6427

Sponsor: Rep. Fred Miller

Committee: Labor

Complete to 9-22-08

A SUMMARY OF HOUSE BILLS 6426 AND 6427 AS INTRODUCED 9-10-08

In general, a person who quits a job voluntarily without good cause attributable to the employer is ineligible to receive unemployment insurance benefits.

House Bill 6427 would amend the Michigan Employment Security Act (MCL 421.29) to provide an exception for a person who voluntarily leaves a job because of the military duty reassignment of a spouse to a different geographic location. A person quitting a job under these circumstances would not be disqualified from drawing unemployment benefits. The reassigned spouse must be a full-time member of the United States Armed Forces.

House Bill 6426 would amend the Michigan Employment Security Act (MCL 421.20) to specify that unemployment benefits paid to a relocating military spouse would be charged to the nonchargeable benefits account rather than the person's employer for benefit years beginning after March 30, 2009.

(The nonchargeable benefits account is used to pay the costs of unemployment benefits that are not charged directly against any particular employer's account and benefits charged against employers that go out of business. Paying the benefits from this account would not increase an employer's experience rating.)

FISCAL IMPACT:

The bill would increase the amount of unemployment benefits paid out of the Unemployment Trust Fund by an indeterminate amount as, apparently, the Department of Labor and Economic Growth, Unemployment Insurance Agency, does not compile data on the reasons an individual voluntarily quits a job, so it is not known how many individuals in a given year voluntarily quit employment and relocate to accommodate the relocation assignment of military spouse, and are thus ineligible for unemployment benefits. The additional payment may also require additional borrowing by the UIA for cash-flow purposes, which could potentially require the UIA to pay more in interest payments. These payments are paid through the Contingent Fund, Penalty and Interest Account.

Legislative Analyst: Shannan Kane
Fiscal Analyst: Mark Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.