

Legislative Analysis



UNEMPLOYMENT BENEFITS FOR MILITARY SPOUSES

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House Bill 6426
Public Act 479 of 2008
Sponsor: Rep. Gino Polidori

House Bill 6427
Public Act 480 of 2008
Sponsor: Rep. Fred Miller

House Committee: Labor
Senate Committee: Commerce and Tourism

First Analysis (1-21-09)

BRIEF SUMMARY: House Bill 6427 amends the Michigan Employment Security Act to allow a person to collect unemployment benefits after quitting a job because his or her spouse has been reassigned by the military to a different geographic location. Under House Bill 6426, benefits paid in this situation are charged to the nonchargeable benefits account rather than the person's employer.

FISCAL IMPACT: The bills would have no significant fiscal impact on the state or local units of government. It is estimated that there would be few eligible claimants under the bill.

THE APPARENT PROBLEM:

In general, a person who quits a job in Michigan voluntarily without good cause attributable to the employer is ineligible to collect unemployment benefits. This general rule usually disqualifies a military spouse from collecting unemployment benefits when he or she quits her job to follow a spouse to a new military assignment. The service member does not have the option to decline the transfer, yet his or her spouse can't collect unemployment benefits following the move because a military transfer is not a good cause for quitting attributable to the employer.

It is estimated that 51 percent of military spouses are employed, excluding another 13 percent of spouses in dual-military couples. Although military families, like civilian families, often need the incomes of both spouses to make ends meet, military spouses often end up unemployed or underemployed following a military transfer, causing economic strain.

Military families make tremendous sacrifices and are challenged with frequent moves, numerous school transitions for their children, and family separations. Because of these and other burdens, the U.S. Department of Defense has been promoting state policies to assist military families, including removing restrictions on collecting unemployment benefits following a military reassignment. With this legislation, Michigan joins

approximately 24 other states that now specifically allow unemployment benefits to be collected by a military spouse after a geographic move required by the armed forces.

THE CONTENT OF THE BILL:

In general, a person who leaves a job voluntarily without good cause attributable to the employer is ineligible to receive unemployment insurance benefits. House Bill 6427 amends the Michigan Employment Security Act (MCL 421.29) to provide an exception for a person who leaves a job because his or her spouse has been reassigned by the military to a different geographic location. A person quitting a job under these circumstances is not disqualified from drawing unemployment benefits. The reassigned spouse must be a full-time member of the United States Armed Forces.

House Bill 6426 amends the same act (MCL 421.20) to specify that the benefits paid to a relocating military spouse are to 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 does not increase an employer's experience rating.)

ARGUMENTS:

For:

Military spouses who leave a job to follow their husband or wife to a new geographic location following a military reassignment often end up unemployed or underemployed. Military families, like civilian families, often need the income of both spouses to make ends meet. Expanding eligibility for unemployment benefits to allow such a spouse to collect unemployment benefits will cost Michigan's unemployment program very little, but help to support our military families and relieve some of the hardships they face. By enacting these bills, Michigan will join a growing list of states allowing military spouses to receive unemployment benefits in this situation, a policy urged by the U.S. Department of Defense to support military families.

Against:

Although the increased eligibility for benefits is minimal, any expansion is imprudent given that Michigan's unemployment insurance program is already in a deficit position, borrowing from the federal government to continue its operations.

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