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House Bill 4394 (Substitute H-1 as reported without amendment)

Sponsor: Representative Joe Haveman

House Committee: Commerce

Senate Committee: Economic Development

CONTENT

The bill would amend the Michigan Employment Security Act to allow a continuing employer to request a redetermination of the weekly benefit amount and number of weeks that benefits were payable, if the base period of a claim included multiple employers. The bill would take effect on January 1, 2012.

Specifically, if the base period of an unemployment insurance benefits claim included multiple employers, an employer that continued to employ the claimant could file a request for redetermination with the Unemployment Insurance Agency (UIA) within 30 calendar days after the notice of the monetary determination was mailed. The request would have to include the continuing employer's affirmation of continued employment and payment of at least the average weekly wage the employer paid the claimant for all of the weeks that the employer employed the claimant in the base period.

Within 15 calendar days after receiving a request for redetermination, the UIA would have to redetermine the weekly benefit amount and number of weeks that benefits were payable and send the employer written notice of the redetermination. In the redetermination, the wages paid by the continuing employer during the base period would have to be excluded, and the limitation on weekly benefits would have to be calculated excluding wages paid by an employer that was not chargeable for benefits because of the redetermination.

Proposed MCL 421.27c

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would change which employers in the base period are charged for a UI claimant's benefits. These changes, however, would not have a substantial effect on the Unemployment Insurance Agency's financial obligations.

Current law reduces UI benefits by 50 cents for each dollar earned by a claimant up to 150% of the weekly benefit amount. After this level has been reached, further earnings reduce UI benefits by \$1 for each dollar earned. The bill would remove these benefit phase-outs for income paid by a claimant's employer that was not chargeable for benefits under a redetermination made under the bill. It is not known how many claimants this would affect, nor is it known how much this would cost. However, it is likely that removing these benefit phase-outs after redeterminations under the bill would result in additional costs to the UIA.

Date Completed: 10-6-11

Fiscal Analyst: Josh Sefton