



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 1079 (as introduced 4-19-12)  
Sponsor: Senator Dave Hildenbrand  
Committee: Reforms, Restructuring and Reinvention

Date Completed: 5-9-12

**CONTENT**

**The bill would amend the Michigan Employment Security Act to allow a part-time employee collecting unemployment insurance (UI) benefits to continue collecting benefits if the employee left his or her job and took another part-time job with higher pay, more hours, or better benefits.**

Under current law, a UI benefit recipient (claimant) who has part-time work is eligible to receive some UI benefits in addition to the wages paid from the part-time job. If the individual leaves that part-time job willingly, UI benefits will be terminated.

The bill would allow a claimant working part-time to leave that part-time job for another part-time job and still be eligible for UI benefits as long as the new job provided a better wage, more hours at an equal wage, or fringe benefits with greater monetary value than provided by the former part-time employer. Benefits paid under these conditions would not be charged to the part-time employer the claimant was leaving, but would instead be charged to the nonchargeable benefits account.

MCL 421.29

**FISCAL IMPACT**

The bill would have no effect on the operational finances of State or local government. However, the bill would generally increase the amount of UI benefits being paid from the Unemployment Compensation Fund by an unknown amount, as claimants who met the conditions in the bill would no longer be denied benefits. Data on how many claimants the bill would affect are not available at this time, so a cost estimate is not available.

The nonchargeable benefits account is a component of each employer's State Unemployment Tax Act (SUTA) tax calculation. For most employers this tax is 1% of the first \$7,500 of each of their employees' wages, or \$75. This rate can be as low as 0.06% for employers who have had no UI benefit claims in the last nine years, however. Revenue collected from this component of the SUTA tax is used to fund the benefits for claimants whose benefits are not chargeable to an employer.

Fiscal Analyst: Josh Sefton

SAS\S1112\s1079sa.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.