

SENATE BILL No. 1192

June 21, 1994, Introduced by Senators GOUGEON, CISKY and
STEIL and referred to the Committee on Labor

A bill to amend sections 28 and 46 of Act No 1 of the
Public Acts of the Extra Session of 1936, entitled as amended
"Michigan employment security act,"
section 28 as amended by Act No 227 of the Public Acts of 1989
and section 46 as amended by Act No 164 of the Public Acts of
1983, being sections 421 28 and 421 46 of the Michigan Compiled
Laws and to add sections 12b and 12c

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 28 and 46 of Act No 1 of the Public
2 Acts of the Extra Session of 1936, section 28 as amended by Act
3 No 227 of the Public Acts of 1989 and section 46 as amended by
4 Act No 164 of the Public Acts of 1983, being sections 421 28 and
5 421 46 of the Michigan Compiled Laws, are amended and sections
6 12b and 12c are added to read as follows

1 SEC 12B (1) AN INDIVIDUAL IS ELIGIBLE TO RECEIVE A
2 SELF-EMPLOYMENT STIPEND IN AN AMOUNT EQUAL TO THE UNEMPLOYMENT
3 COMPENSATION HE OR SHE WOULD OTHERWISE RECEIVE UNDER THIS ACT, IF
4 ALL OF THE FOLLOWING CONDITIONS ARE MET

5 (A) THE COMMISSION HAS DEVELOPED A SELF-EMPLOYMENT ASSIST-
6 ANCE PROGRAM PURSUANT TO SECTION 12C, AND HAS OBTAINED APPROVAL
7 OF THAT PROGRAM FROM THE UNITED STATES DEPARTMENT OF LABOR

8 (B) THE INDIVIDUAL IS QUALIFIED TO RECEIVE UNEMPLOYMENT COM-
9 PENSATION UNDER THIS ACT

10 (C) THE STATE PROFILING SYSTEM DESCRIBED IN SECTION 12C VER-
11 IFIES THAT THE INDIVIDUAL IS LIKELY TO EXPERIENCE DIFFICULTY IN
12 OBTAINING REEMPLOYMENT WITH HIS OR HER CURRENT JOB SKILLS AND IS
13 THEREFORE LIKELY TO EXHAUST UNEMPLOYMENT COMPENSATION BEFORE HE
14 OR SHE IS REEMPLOYED

15 (D) THE INDIVIDUAL IS INVOLVED IN AN INTENSIVE ENTREPRENEU-
16 RIAL TRAINING, BUSINESS COUNSELING, OR TECHNICAL ASSISTANCE PRO-
17 GRAM DIRECTLY RELATED TO SELF-EMPLOYMENT APPROVED BY OR INSTI-
18 TUTED BY THE COMMISSION

19 (E) THE INDIVIDUAL IS ENGAGED ON A FULL-TIME BASIS DEVELOP-
20 ING HIS OR HER OWN BUSINESS FOR EACH BENEFIT WEEK FOR WHICH HE OR
21 SHE SEEKS SELF-EMPLOYMENT ASSISTANCE

22 (F) AT THE TIME THE INDIVIDUAL APPLIES FOR SELF-EMPLOYMENT
23 ASSISTANCE, THE TOTAL NUMBER OF INDIVIDUALS RECEIVING ASSISTANCE
24 UNDER THIS SECTION DOES NOT EXCEED 5% OF THE TOTAL NUMBER OF
25 INDIVIDUALS RECEIVING UNEMPLOYMENT COMPENSATION UNDER THIS ACT

26 (2) THE TOTAL AMOUNT OF SELF-EMPLOYMENT ASSISTANCE THAT AN
27 INDIVIDUAL MAY RECEIVE UNDER THIS SECTION IS EQUAL TO THE MAXIMUM

1 AMOUNT OF UNEMPLOYMENT COMPENSATION FOR WHICH HE OR SHE OTHERWISE
2 QUALIFIES, LESS THOSE BENEFITS ALREADY RECEIVED AN INDIVIDUAL
3 SHALL NOT RECEIVE SELF-EMPLOYMENT ASSISTANCE AND UNEMPLOYMENT
4 COMPENSATION FOR THE SAME PERIOD

5 (3) AN INDIVIDUAL WHO VOLUNTARILY OR INVOLUNTARILY CEASES TO
6 PARTICIPATE IN A SELF-EMPLOYMENT ASSISTANCE PROGRAM AUTHORIZED
7 UNDER THIS SECTION MAY RECEIVE UNEMPLOYMENT COMPENSATION FOR
8 WHICH HE OR SHE OTHERWISE QUALIFIES

9 SEC 12C (1) THE COMMISSION SHALL DEVELOP AND SUBMIT TO
10 THE UNITED STATES DEPARTMENT OF LABOR A SELF-EMPLOYMENT ASSIST-
11 ANCE PLAN THAT CONTAINS ALL OF THE FOLLOWING

12 (A) A DESCRIPTION OF A SELF-EMPLOYMENT ASSISTANCE PROFILING
13 SYSTEM DEVELOPED UNDER SUBSECTION (2)

14 (B) VERIFICATION THAT THE STATE WILL PROVIDE THE UNITED
15 STATES DEPARTMENT OF LABOR WITH AN ANNUAL REPORT ON THE STATUS OF
16 THE STATE'S SELF-EMPLOYMENT ASSISTANCE PROGRAM

17 (C) A DESCRIPTION OF THE REQUIREMENTS AN INDIVIDUAL SHALL
18 MEET BEFORE QUALIFYING FOR SELF-EMPLOYMENT ASSISTANCE

19 (D) VERIFICATION THAT THE COMMISSION WILL SUPERVISE THE
20 SELF-EMPLOYMENT ASSISTANCE PROGRAM

21 (E) A STATEMENT SPECIFYING THE PROCEDURES THE STATE WILL
22 IMPLEMENT TO ENSURE THAT AN INDIVIDUAL WHO RECEIVES
23 SELF-EMPLOYMENT ASSISTANCE IS ENGAGED IN FULL-TIME
24 SELF-EMPLOYMENT

25 (F) A DESCRIPTION OF THE SOURCE OF FUNDS FOR THE
26 SELF-EMPLOYMENT ASSISTANCE PROGRAM

1 (G) AN ASSURANCE THAT THE SELF-EMPLOYMENT ASSISTANCE PROGRAM
2 WILL NOT REQUIRE MONEY FROM THE UNEMPLOYMENT TRUST FUND THAT
3 EXCEEDS THE AMOUNT THAT WOULD OTHERWISE BE EXPENDED TO PROVIDE
4 UNEMPLOYMENT COMPENSATION

5 (2) THE COMMISSION SHALL DO BOTH OF THE FOLLOWING

6 (A) DEVELOP A SELF-EMPLOYMENT ASSISTANCE PROFILING SYSTEM
7 THAT ALLOWS THE COMMISSION TO IDENTIFY THOSE INDIVIDUALS LIKELY
8 TO EXHAUST UNEMPLOYMENT COMPENSATION BEFORE BECOMING REEMPLOYED

9 (B) AUTHORIZE PAYMENT OF SELF-EMPLOYMENT ASSISTANCE TO ONLY
10 THOSE INDIVIDUALS IN THE PROFILING SYSTEM DEVELOPED UNDER SUBDI-
11 VISION (A) WHO ARE IDENTIFIED AS LIKELY TO EXHAUST UNEMPLOYMENT
12 COMPENSATION BEFORE BECOMING REEMPLOYED

13 (3) THE COMMISSION SHALL NOT MAKE THE SELF-EMPLOYMENT
14 ASSISTANCE PROGRAM AVAILABLE TO MORE THAN 5% OF THE TOTAL NUMBER
15 OF INDIVIDUALS WHO QUALIFY TO RECEIVE UNEMPLOYMENT COMPENSATION
16 UNDER THIS ACT

17 Sec 28 (1) ~~An~~ EXCEPT AS OTHERWISE PROVIDED IN
18 SECTION 12B, AN unemployed individual ~~shall be~~ IS eligible to
19 receive benefits with respect to any week only if the commission
20 finds that

21 (a) The individual has registered for work at and thereafter
22 has continued to report at an employment office in accordance
23 with such rules as the commission may prescribe and is seeking
24 work (1) The requirements that the individual must report at an
25 employment office, must register for work, must be available to
26 perform suitable full-time work, and must seek work may be waived
27 by the commission if the individual is laid off and the employer

1 who laid the individual off notifies the commission in writing or
2 by computerized data exchange that the layoff is temporary and
3 that work is expected to be available for the individual within a
4 declared number of days, not to exceed 45 calendar days following
5 the last day the individual worked This waiver shall not be
6 effective unless the notification from the employer has been
7 received by the commission before the individual has completed
8 his or her first compensable week following layoff If the indi-
9 vidual is not recalled within the specified period, the waiver
10 shall cease to be operative with respect to that layoff (2)
11 Except for a period of disqualification, the requirement that the
12 individual shall seek work may be waived by the commission where
13 it finds that suitable work is unavailable both in the locality
14 where the individual resides and in those localities in which the
15 individual has earned base period credit weeks This waiver
16 shall not apply, for weeks of unemployment beginning on or after
17 March 1, 1981, to a claimant enrolled and attending classes as a
18 full-time student (3) An individual shall be deemed to have
19 satisfied the requirement of personal reporting at an employment
20 office, as applied to a week in a period during which the
21 requirements of registration and seeking work have been waived by
22 the commission under subparagraph (1), if (1) the individual has
23 satisfied the personal reporting requirement with respect to a
24 preceding week in that period and (11) the individual has
25 reported with respect to the week by mail in accordance with the
26 rules promulgated by the commission

1 (b) The individual has made a claim for benefits in
2 accordance with the provisions of section 32 and has provided the
3 commission with his or her social security number

4 (c) The individual is able and available to perform suitable
5 full-time work of a character which the individual is qualified
6 to perform by past experience or training, which is of a charac-
7 ter generally similar to work for which the individual has previ-
8 ously received wages, and for which the individual is available,
9 full time, either at a locality at which the individual earned
10 wages for insured work during his or her base period or at a
11 locality where it is found by the commission that such work is
12 available

13 (d) In the event of the death of an individual's immediate
14 family member, the eligibility requirements of availability and
15 reporting shall be waived for the day of the death and for 4 con-
16 secutive calendar days thereafter As used in this subdivision,
17 "immediate family member" means a spouse, child, stepchild,
18 adopted child, grandchild, parent, grandparent, brother, or
19 sister of the individual or his or her spouse It shall also
20 include the spouse of any of the persons specified in the previ-
21 ous sentence

22 (2) ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN SECTION 12B, THE
23 commission may authorize an individual with an unexpired benefit
24 year to pursue vocational training or retraining only if the com-
25 mission finds that

26 (a) Reasonable opportunities for employment, in occupations
27 for which the individual is fitted by training and experience, do

1 not exist in the locality in which the individual is claiming
2 benefits

3 (b) The vocational training course relates to an occupation
4 or skill for which there are, or are expected to be in the imme-
5 diate future, reasonable employment opportunities

6 (c) The training course has been approved by a local
7 advisory council on which both management and labor are repre-
8 sented, or if there is no local advisory council, by the
9 commission

10 (d) The individual has the required qualifications and apti-
11 tudes to complete the course successfully

12 (e) The vocational training course has been approved by the
13 state board of education and is maintained by a public or private
14 school or by the commission

15 (3) Notwithstanding any other provision of this act, an oth-
16 erwise eligible individual shall not be ineligible for benefits
17 because he or she is participating in training with the approval
18 of the commission For each week that the commission finds that
19 an individual who is claiming benefits under this act and who is
20 participating in training with the approval of the commission, is
21 satisfactorily pursuing an approved course of vocational train-
22 ing, it shall waive the requirements that he or she be available
23 for work and be seeking work as prescribed in subsection (1)(a)
24 and (c), and it shall find good cause for his or her failure to
25 apply for suitable work, report to a former employer for an
26 interview concerning suitable work, or accept suitable work as
27 required in section 29(1)(c), (d), and (e)

1 (4) The waiver of the requirement that a claimant seek work,
2 as provided in subsection (1)(a)(1) and (a)(2), ~~shall not be~~ IS
3 NOT applicable to weeks of unemployment for which the claimant is
4 claiming extended benefits if section 64(8)(a)(11) is in effect,
5 unless the individual is participating in A SELF-EMPLOYMENT
6 ASSISTANCE PROGRAM PURSUANT TO SECTION 12B OR IN training
7 approved by the commission

8 (5) Notwithstanding any other provisions of this act, an
9 otherwise eligible individual shall not be denied benefits for
10 any week beginning after October 30, 1982 solely because the
11 individual is in training approved under section 236(a)(1) of the
12 trade act of 1974, as amended, 19 U S C 2296, nor shall the
13 individual be denied benefits by reason of leaving work to enter
14 such training if the work left is not suitable employment
15 Furthermore, an otherwise eligible individual shall not be denied
16 benefits because of the application to any such week in training
17 of provisions of this act, or any applicable federal unemployment
18 compensation law, relating to availability for work, active
19 search for work, or refusal to accept work For purposes of this
20 subsection, "suitable employment" means, with respect to an indi-
21 vidual, work of a substantially equal or higher skill level than
22 the individual's past adversely affected employment, as defined
23 for purposes of the trade act of 1974, 19 U S C 2101 to 2495,
24 and wages for that work at not less than 80% of the individual's
25 average weekly wage as determined for the purposes of the trade
26 act of 1974

1 Sec 46 (a) "Benefit year" with respect to any individual
2 means the period of 52 consecutive calendar weeks beginning with
3 the first calendar week with respect to which the individual, who
4 does not already have a benefit year in effect, files an applica-
5 tion in accordance with section 32 However, a benefit year
6 shall not be established unless the individual meets all of the
7 following conditions (1) has earned 20 credit weeks in the 52
8 consecutive calendar weeks preceding the week with respect to
9 which the individual filed an application for benefits (2) with
10 respect to the week for which the individual is filing an appli-
11 cation for benefits, is unemployed, and meets all of the other
12 requirements of section 28 OR IS SUBSEQUENTLY ACCEPTED INTO THE
13 SELF-EMPLOYMENT ASSISTANCE PROGRAM DESCRIBED IN SECTION 12B (3)
14 with respect to the week for which the individual is filing an
15 application for benefits the individual is not disqualified nor
16 subject to disqualification, except in case of a labor dispute
17 under section 29(8), with respect to the most recent period of
18 employment with the most recent employer with whom the individual
19 earned a credit week

20 If an individual files an application for a 7-day period as
21 provided in section 27(c), the benefit year with respect to the
22 individual shall begin with the calendar week which contains the
23 first day of that 7-day period

24 (b) If all, or the then remaining part, of a claimant's
25 rights to benefits during his or her benefit year are canceled
26 under the provisions of section 62(b), the remaining portion of

1 that benefit year shall be terminated as of the effective date of
2 the cancellation

3 (c) An individual may request a redetermination of his or
4 her benefit rights and cancellation of a previously established
5 benefit year if he or she has not completed a compensable period
6 in such case, the benefit year shall begin with the first day of
7 the first week with respect to which the request for redetermina-
8 tion of benefit rights is duly filed

9 (d) Notwithstanding section 43(g) and subsection (a), for
10 services performed on or after January 2, 1983, an individual
11 shall not be entitled to establish a benefit year based in whole
12 or in part on credit weeks for service in the employ of an
13 employing unit in which more than 50% of the proprietary interest
14 is owned by the individual or his or her son, daughter, or
15 spouse, or any combination of these individuals, or in which more
16 than 50% of the proprietary interest is owned by the mother or
17 father of a child under the age of 18, or mother and father com-
18 bined, unless both the individual and the employer notify the
19 commission, in response to the commission's request for informa-
20 tion, of the individual's relationship to the owners of the pro-
21 prietary interest in the employing unit Upon timely notifica-
22 tion to the commission, a benefit year may be established for the
23 individual, if the individual meets all of the following
24 conditions (1) has earned 20 credits weeks in the 52 consecu-
25 tive calendar weeks preceding the week with respect to which the
26 individual filed an application for benefits (2) with respect to
27 the week for which the individual is filing an application for

1 benefits is unemployed, and meets all of the other requirements
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8 employment with the most recent employer with whom the individual
9 earned a credit week If an individual files an application for
10 a 7-day period as provided in section 27(c), the benefit year
11 with respect to the individual shall begin with the calendar week
12 which contains the first day of that 7-day period However, for
13 benefit years established on or after July 1, 1983, not more than
14 10 credit weeks based on such services shall be used to pay
15 benefits For the purpose of calculating the individual's aver-
16 age weekly wage, all base period wages and credit weeks shall be
17 used