# INCREASE THE UNEMPLOYMENT COMPENSATION CAP

**House Bill 4600**
**Sponsor: Rep. William Callahan**
**Committee: Employment Relations, Training and Safety**

**Complete to 9-10-01**

**House Bill 4600 (9-10-01)**

## A SUMMARY OF HOUSE BILL 4600 AS INTRODUCED 4-17-01

House Bill 4600 would amend the Michigan Employment Security Act to increase the unemployment compensation cap.

Currently the weekly benefit rate for an individual is 67 percent of the individual's average after tax weekly wage before the conversion date to a wage record system on October 1, 2000. After the conversion date, the weekly benefit rate is 4.1 percent of the individual's wages paid in the calendar quarter of the base period in which he or she was paid the highest total wages, plus $6 for each dependent up to a maximum of five dependents, except that the individual's maximum weekly benefit rate cannot exceed $300. Under the bill this provision would be modified to specify that instead, the individual's maximum weekly benefit rate could not exceed 50 percent of the state average weekly wage.

The bill also would eliminate outdated provisions in the act concerning unemployment claims filed in the early 1980s, which required the U.S. Secretary of Labor to make a determination of retroactivity as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act. Further, the bill would eliminate phrases that establish December 31, 1977 effective dates for certain benefit limitation provisions (for athletes in training, and for nonresident aliens), but would retain the limitations. Finally, the bill would update the references to appropriate sections (parts and titles) of the federal Social Security Act concerning withholdings deducted from unemployment compensation due to state or local child support enforcement and obligations.

MCL 421.27

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