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UNEMPLOYMENT INSURANCE BENEFITS FOR SPOUSE IN FAMILY-OWNED CORPORATION

House Bill 6169

Sponsor: Rep. Judith Scranton

**Committee: Employment Relations,
Training and Safety**

Complete to 8-29-02

A SUMMARY OF HOUSE BILL 6169 AS INTRODUCED 6-5-02

House Bill 6169 would amend the Michigan Employment Security Act to revise the number of weeks that would be allowed for unemployment benefit eligibility, when one spouse has filed for divorce in a family-owned corporation.

Currently under the law, an individual is eligible for unemployment benefits when he or she has earned 20 credit weeks in the 52 consecutive calendar weeks before the week he or she files a claim. However, a person is not entitled to establish a benefit year based on credit weeks for service in the employ of an employing unit in which more than half of the propriety interest is owned by the individual or his or her son, daughter, or spouse, or any combination of these individuals, or in which more than half of the proprietary interest is owned by the mother or father of a child under the age of 18, or mother and father combined, unless both the individual and the employer notify the Employment Security Commission of the individual's relationship to the owners of the proprietary interest.

House Bill 6169 specifies that this subsection would not apply to an individual who was a party to a divorce proceeding. Upon proof of filing a complaint for divorce, and notwithstanding any percentage proprietary interest his or her spouse may have, the individual could establish a benefit year if he or she met the customary requirement--earning 20 credit weeks in the 52 consecutive calendar weeks before the week he or she had filed a claim.

MCL 421.46

Analyst: J. Hunault

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