

# SENATE BILL No. 1126

February 21, 2002, Introduced by Senators STEIL, SHUGARS, GARCIA, SANBORN, BULLARD, STILLE and HAMMERSTROM and referred to the Committee on Human Resources and Labor.

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending sections 19, 27, 29, and 48 (MCL 421.19, 421.27, 421.29, and 421.48), section 19 as amended by 1996 PA 535, section 27 as amended by 1995 PA 181, section 29 as amended by 1995 PA 25, and section 48 as amended by 1983 PA 164, and by adding section 13/.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 13/. (1) EACH EMPLOYEE OF AN EMPLOYER SUBJECT TO THIS  
2 ACT SHALL PAY TO THE UNEMPLOYMENT AGENCY \$3.00 PER QUARTER.  
3 (2) AN EMPLOYER SUBJECT TO THIS ACT SHALL WITHHOLD FROM  
4 WAGES PAID TO AN EMPLOYEE THE PAYMENT REQUIRED UNDER SUBSECTION  
5 (1).

1       Sec. 19. (a) The commission shall determine the contribution  
2 rate of each contributing employer for each calendar year after  
3 1977 as follows:

4       (1) (i) Except as provided in paragraph (ii), an employer's  
5 rate shall be calculated as described in table A with respect to  
6 wages paid by the employer in each calendar year for employment.  
7 If an employer's coverage is terminated under section 24, or at  
8 the conclusion of 8 or more consecutive calendar quarters during  
9 which the employer has not had workers in covered employment, and  
10 if the employer becomes liable for contributions, the employer  
11 shall be considered as newly liable for contributions for the  
12 purposes of table A or table B of this subsection.

13       (ii) To provide against the high risk of net loss to the  
14 fund in such cases, an employing unit ~~which~~ THAT becomes newly  
15 liable for contributions under this act in a calendar year begin-  
16 ning on or after January 1, 1983 in which it employs in  
17 "employment", not necessarily simultaneously but in any 1 week 2  
18 or more individuals in the performance of 1 or more contracts or  
19 subcontracts for construction in the state of roads, bridges,  
20 highways, sewers, water mains, utilities, public buildings, fac-  
21 tories, housing developments, or similar construction projects,  
22 shall be liable for contributions to that employer's account  
23 under this act for the first 4 years of operations in this state  
24 at a rate equal to the average rate paid by employers engaged in  
25 the construction business as determined by contractor type in the  
26 manner provided in table B.

(iii) For the calendar years 1983 and 1984, the contribution rate of a construction employer shall not exceed its 1982 contribution rate with respect to wages, paid by that employer, related to the execution of a fixed price construction contract ~~which~~ THAT was entered into prior to January 1, 1983. Furthermore, ~~such~~ THAT contribution rate shall be reduced, by the solvency tax rate assessed against the employer under section 19a, for the year in which ~~such~~ THE solvency tax rate is applicable. Furthermore, notwithstanding section 44, the taxable wage limit, for calendar years 1983 and 1984, with respect to wages paid under ~~such~~ A fixed price contract, shall be the maximum amount of remuneration paid within a calendar year by an employer subject to the federal unemployment tax act, CHAPTER 23 OF SUBTITLE C OF THE INTERNAL REVENUE CODE OF 1986, 26 U.S.C. 3301 to 3311, to an individual with respect to employment as defined in that act which is subject to tax under that act during that year.

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Table A

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	Year of Contribution Liability	Contribution Rate
26	1	2.7%
27	2	2.7%
28	3	1/3 (chargeable benefits component)
29		+ 1.8%

1                   4                   2/3 (chargeable benefits component)  
 2                                       + 1.0%  
 3                   5 and over           (chargeable benefits component) +  
 4                                       (account building component) +  
 5                                       (nonchargeable benefits component)

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7                                       Table B

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9                   Year of Contribution	Contribution Rate
10                   Liability	
13                   1	average construction contractor rate
14                   2	as determined by the commission
15                   3	average construction contractor rate
16                   4	as determined by the commission
17                   5	1/3 (chargeable benefits component)
18                   6	+ 2/3 average construction contrac-
19                   7	tor rate as determined by the com-
20                   8	mission
21                   9	2/3 (chargeable benefits component)
22                   10	+ 1/3 average construction contrac-
23                   11	tor rate as determined by the com-
24                   12	mission
25                   13	(chargeable benefits component) +
26                   14	(account building component) +
27                   15	(nonchargeable benefits component)
28                   16	
29                   17	(2) With the exception of employers who are in the first 4

30 consecutive years of liability, each employer's contribution rate  
 31 for each calendar year after 1977 shall be the sum of the follow-  
 32 ing components, all of which are determined as of the computation  
 33 date: a chargeable benefits component determined under subdivi-  
 34 sion (3), an account building component determined under subdivi-  
 35 sion (4), and a nonchargeable benefits component determined under  
 36 subdivision (5). Each employer's contribution rate for calendar

1 years before 1978 shall be determined by the provisions of this  
2 act in effect during the years in question.

3       (3) (i) The chargeable benefits component of an employer's  
4 contribution rate is the percentage determined by dividing: the  
5 total amount of benefits charged to the employer's experience  
6 account within the lesser of 60 consecutive months ending on the  
7 computation date or the number of consecutive months ending on  
8 the computation date with respect to which the employer has been  
9 continuously liable for contributions; by the amount of wages,  
10 subject to contributions, paid by the employer within the same  
11 period. If the resulting quotient is not an exact multiple of  
12  $1/10$  of 1%, it shall be increased to the next higher multiple of  
13  $1/10$  of 1%.

14       (ii) For benefit years established before the conversion  
15 date prescribed in section 75, the chargeable benefits component  
16 shall not exceed 6.0%, unless there is a statutory change in the  
17 maximum duration of regular benefit payments or the statutory  
18 ratio of regular benefit payments to credit weeks. In the event  
19 of a change in the maximum duration of regular benefit payments,  
20 the maximum chargeable benefits component shall increase by the  
21 same percentage as the statutory percentage change in the dura-  
22 tion of regular benefit payments between computation dates. In  
23 the event of an increase in the statutory ratio of regular bene-  
24 fit payments to credit weeks, as described in section 27(d), the  
25 maximum chargeable benefits component determined as of the compu-  
26 tation dates occurring after the effective date of the increased  
27 ratio shall increase by  $1/2$  the same percentage as the increase

1 in the ratio of regular benefit payments to credit weeks. If the  
2 resulting increase is not already an exact multiple of 1/10 of  
3 1%, it shall be adjusted to the next higher multiple of 1/10 of  
4 1%. For benefit years established after the conversion date pre-  
5 scribed in section 75, the chargeable benefits component shall  
6 not exceed 6.0%, unless there is a statutory change in the maxi-  
7 mum duration of regular benefit payments or the percentage factor  
8 of base period wages, which defines maximum duration, as provided  
9 in section 27(d). If there is a statutory change in the maximum  
10 duration of regular benefit payments, the maximum chargeable ben-  
11 efits component shall increase by the same percentage as the  
12 statutory percentage change in the duration of regular benefit  
13 payments between computation dates. If there is an increase in  
14 the statutory percentage factor of base period wages, as  
15 described in section 27(d), the maximum chargeable benefits com-  
16 ponent determined as of the computation dates occurring after the  
17 effective date of the increased ratio shall increase by 1/2 the  
18 same percentage as the increase in the percentage factor of base  
19 period wages. If the resulting increase is not already an exact  
20 multiple of 1/10 of 1%, it shall be adjusted to the next higher  
21 multiple of 1/10 of 1%.

22 (4) The account building component of an employer's contri-  
23 bution rate is the percentage arrived at by the following  
24 calculations: (i) Multiply the amount of the employer's total  
25 payroll for the 12 months ending on the computation date, by the  
26 cost criterion; (ii) Subtract the amount of the balance in the  
27 employer's experience account as of the computation date from the

1 product determined under (i); and (iii) if the remainder is zero  
2 or a negative quantity, the account building component of the  
3 employer's contribution rate shall be zero; but (iv) if the  
4 remainder is a positive quantity, the account building component  
5 of the employer's contribution rate shall be determined by divid-  
6 ing that remainder by the employer's total payroll paid within  
7 the 12 months ending on the computation date. The account build-  
8 ing component shall not exceed the lesser of  $1/4$  of the percen-  
9 tage ~~thus~~ calculated or 2%. However, except as otherwise pro-  
10 vided in this subdivision, the account building component shall  
11 not exceed the lesser of  $1/2$  of the percentage ~~thus~~ calculated  
12 or 3%, if on the June 30 of the preceding calendar year the bal-  
13 ance in the unemployment compensation fund was less than 50% of  
14 an amount equal to the aggregate of all contributing employers'  
15 annual payrolls, for the 12 months ending March 31, times the  
16 cost criterion. For calendar years after 1993 and before 1996,  
17 the account building component shall not exceed the lesser of .69  
18 of the percentage calculated, or 3%, if on the June 30 of the  
19 preceding calendar year the balance in the unemployment compensa-  
20 tion fund was less than 50% of an amount equal to the aggregate  
21 of all contributing employers' annual payrolls, for the 12 months  
22 ending March 31, as defined in section 18(f), times the cost cri-  
23 terion; selected for the computation date under section 18(e).  
24 If the account building component determined under this subdivi-  
25 sion is not an exact multiple of  $1/10$  of 1%, it shall be adjusted  
26 to the next higher multiple of  $1/10$  of 1%.

1       (5) The nonchargeable benefits component of employers'  
2 contribution rates is the percentage arrived at by the following  
3 calculations: (i) multiply the aggregate amount of all contrib-  
4 uting employers' annual payrolls, for the 12 months ending March  
5 31, as defined in section 18(f), by the cost criterion selected  
6 for the computation date under section 18(e); (ii) subtract the  
7 balance of the unemployment fund on the computation date, net of  
8 federal advances, from the product determined under (i); and  
9 (iii) if the remainder is zero or a negative quantity, the non-  
10 chargeable benefits component of employers' contribution rates  
11 shall be zero; but (iv) if the remainder is a positive quantity,  
12 the nonchargeable benefits component of employers' contribution  
13 rates shall be determined by dividing that remainder by the total  
14 of wages subject to contributions under this act paid by all con-  
15 tributing employers within the 12 months ending on March 31 and  
16 adjusting the quotient, if not an exact multiple of 1/10 of 1%,  
17 to the next higher multiple of 1/10 of 1%. The maximum non-  
18 chargeable benefits component shall be 1%. However, for calendar  
19 years after 1993, if there are no benefit charges against an  
20 employer's account for the 60 months ending as of the computation  
21 date, or for calendar years after 1995, if the employer's charge-  
22 able benefits component is less than 2/10 of 1%, the maximum non-  
23 chargeable benefit component shall not exceed 1/2 of 1%. For  
24 calendar years after 1995, if there are no benefit charges  
25 against an employer's account for the 72 months ending as of the  
26 computation date, the maximum nonchargeable benefits component  
27 shall not exceed 4/10 of 1%. For calendar years after 1996, if



1 there are no benefit charges against an employer's account for  
2 the 84 months ending as of the computation date, the maximum non-  
3 chargeable benefits component shall not exceed 3/10 of 1%. For  
4 calendar years after 1997, if there are no benefit charges  
5 against an employer's account for the 96 months ending as of the  
6 computation date, the maximum nonchargeable benefits component  
7 shall not exceed 2/10 of 1%. For calendar years after 1998, if  
8 there are no benefit charges against an employer's account for  
9 the 108 months ending as of the computation date, the maximum  
10 nonchargeable benefits component shall not exceed 1/10 of 1%.

11 FOR CALENDAR YEARS AFTER 2002, THE MAXIMUM NONCHARGEABLE BENEFITS  
12 COMPONENT SHALL NOT EXCEED 1/10 OF 1% IF THERE ARE NO BENEFIT  
13 CHARGES AGAINST AN EMPLOYER'S ACCOUNT FOR THE 60 MONTHS ENDING AS  
14 OF THE COMPUTATION DATE; 9/100 OF 1% IF THERE ARE NO BENEFIT  
15 CHARGES AGAINST AN EMPLOYER'S ACCOUNT FOR THE 72 MONTHS ENDING AS  
16 OF THE COMPUTATION DATE; 8/100 OF 1% IF THERE ARE NO BENEFIT  
17 CHARGES AGAINST AN EMPLOYER'S ACCOUNT FOR THE 84 MONTHS ENDING AS  
18 OF THE COMPUTATION DATE; 7/100 OF 1% IF THERE ARE NO BENEFIT  
19 CHARGES AGAINST AN EMPLOYER'S ACCOUNT FOR THE 96 MONTHS ENDING AS  
20 OF THE COMPUTATION DATE; OR 6/100 OF 1% IF THERE ARE NO BENEFIT  
21 CHARGES AGAINST AN EMPLOYER'S ACCOUNT FOR THE 108 MONTHS ENDING  
22 AS OF THE COMPUTATION DATE. An employer with a positive balance  
23 in its experience account on the June 30 computation date preced-  
24 ing the calendar year shall receive for that calendar year a  
25 credit in an amount equal to 1/2 of the extra federal unemploy-  
26 ment tax paid in the preceding calendar year under section  
27 3302(c)(2) of the federal unemployment tax act, 26 U.S.C.

1 ~~3302(c)(2)~~ 3302, because of an outstanding balance of unrepaid  
2 advances from the federal government to the unemployment compen-  
3 sation fund under section 1201 of TITLE XII OF the social secur-  
4 ity act, 42 U.S.C. 1321. However, the credit for any calendar  
5 year shall not exceed an amount determined by multiplying the  
6 employer's nonchargeable benefit component for that calendar year  
7 times the employer's taxable payroll for that year.

8 Contributions paid by an employer shall be credited to the  
9 employer's experience account, in accordance with the provisions  
10 of section 17(5), without regard to any credit given under this  
11 subsection. The amount credited to an employer's experience  
12 account shall be the amount of the employer's tax before deduc-  
13 tion of the credit provided in this subsection.

14 (6) The total of the chargeable benefits and account build-  
15 ing components of an employer's contribution rate shall not  
16 exceed by more than 1% in the 1983 calendar year, 1.5% in the  
17 calendar year 1984, or 2% in the 1985 calendar year the higher of  
18 4% or the total of the chargeable benefits and the account build-  
19 ing components ~~which~~ THAT applied to the employer during the  
20 preceding calendar year. For calendar years after 1985, the  
21 total of the chargeable benefits and account building components  
22 of the employer's contribution rate shall be computed without  
23 regard to the foregoing limitation provided in this subdivision.  
24 During a year in which this subdivision limits an employer's con-  
25 tribution rate, the resulting reduction shall be considered to be  
26 entirely in the experience component of the employer's  
27 contribution rate, as defined in section 18(d).

1 (7) Unless an employer's contribution rate is 1/10 of 1% for  
2 calendar years beginning after December 31, 1995, the employer's  
3 contribution rate shall be reduced by any of the following calcu-  
4 lation methods that results in the lowest rate:

5 (i) The chargeable benefits component, the account building  
6 component, and the nonchargeable benefits component of the con-  
7 tribution rate calculated under this section shall each be  
8 reduced by 10% and if the resulting quotient is not an exact  
9 multiple of 1/10 of 1%, that quotient shall be increased to the  
10 next higher multiple of 1/10 of 1%. The 3 components as  
11 increased shall then be added together.

12 (ii) One-tenth of 1% shall be deducted from the contribution  
13 rate.

14 (iii) The contribution rate shall be reduced by 10% and if  
15 the resulting quotient is not an exact multiple of 1/10 of 1%,  
16 that quotient shall be increased to the next higher multiple of  
17 1/10 of 1%.

18 The contribution rate reduction described in this section  
19 applies to employers who have been liable for the payment of con-  
20 tributions in accordance with this act for more than 4 consecu-  
21 tive years, if the balance of money in the unemployment compensa-  
22 tion fund established under section 26, excluding money borrowed  
23 from the federal unemployment trust fund, is equal to or greater  
24 than 1.2% of the aggregate amount of all contributing employers'  
25 payrolls for the 12-month period ending on the computation date.  
26 If the employer's contribution rate is reduced by a 1/10 of 1%  
27 deduction in accordance with this subdivision, the employer's

1 contributions shall be credited to each of the components of the  
2 contribution rate on a pro rata basis. As used in this  
3 subdivision:

4 (i) "Federal unemployment trust fund" means the fund created  
5 under section 904 of title IX of the social security act, 42  
6 U.S.C. 1104.

7 (ii) "Payroll" means that term as defined in section 18(f).

8 (b) An employer previously liable for contributions under  
9 this act which on or after January 1, 1978 filed a petition for  
10 arrangement under the bankruptcy act of JULY 1, 1898, chapter  
11 541, 30 Stat. 544, or on or after October 1, 1979 filed a peti-  
12 tion for reorganization under title 11 of the United States  
13 ~~code, entitled bankruptcy,~~ CODE, 11 U.S.C. 101 to 1330, pursu-  
14 ant to which a plan of arrangement or reorganization for rehabil-  
15 itation purposes has been confirmed by order of the United States  
16 bankruptcy court, shall be considered as a reorganized employer  
17 and shall have a reserve fund balance of zero as of the first  
18 calendar year immediately following court confirmation of the  
19 plan of arrangement or reorganization, but not earlier than the  
20 calendar year beginning January 1, 1983, if the employer meets  
21 each of the following requirements:

22 (1) An employer whose plan of arrangement or reorganization  
23 has been confirmed as of January 1, 1983 shall, within 60 days  
24 after January 1, 1983, notify the commission of its intention to  
25 elect the status of a reorganized employer. An employer ~~which~~  
26 THAT has not had a plan of arrangement or reorganization  
27 confirmed as of January 1, 1983 shall, within 60 days after the

1 entry by the bankruptcy court of the order of confirmation of the  
2 plan of arrangement or reorganization, notify the commission of  
3 its intention to elect the status of a reorganized employer. An  
4 employer shall not make an election under this subdivision after  
5 December 31, 1985.

6 (2) The employer has paid to the commission all contribu-  
7 tions previously owed by the employer pursuant to this act for  
8 all calendar years prior to the calendar year as to which the  
9 employer elects to begin its status as a reorganized employer.

10 (3) More than 50% of the employer's total payroll is paid  
11 for services rendered in this state during the employer's fiscal  
12 year immediately preceding the date the employer notifies the  
13 fund administrator of its intention to elect the status of a  
14 reorganized employer.

15 (4) The employer, within 180 days after notifying the com-  
16 mission of its intention to elect the status of a reorganized  
17 employer, makes a cash payment to the commission, for the unem-  
18 ployment compensation fund, equal to: .20 times the first  
19 \$2,000,000.00 of the employer's negative balance, .35 times the  
20 amount of the employer's negative balance above \$2,000,000.00 and  
21 up to \$5,000,000.00, and .50 times the amount of the negative  
22 balance above \$5,000,000.00. The total amount ~~so~~ determined by  
23 the commission shall be based on the employer's negative balance  
24 existing as of the end of the calendar month immediately preced-  
25 ing the calendar year in which the employer will begin its status  
26 as a reorganized employer. If the employer fails to pay the  
27 amount determined, within 180 days of electing status as a

1 reorganized employer, the commission shall reinstate the  
 2 employer's negative balance previously reduced and redetermine  
 3 the employer's rate on the basis of ~~such~~ THE reinstated nega-  
 4 tive balance. ~~Such~~ THE redetermined rate shall then be used to  
 5 redetermine the employer's quarterly contributions for that cal-  
 6 endar year. ~~Such~~ THE redetermined contributions shall be  
 7 subject to the interest provisions of section 15 as of the date  
 8 the redetermined quarterly contributions were originally due.

9 (5) Except as provided in subdivision (6), the employer con-  
 10 tribution rates for a reorganized employer beginning with the  
 11 first calendar year of the employer's status as a reorganized  
 12 employer shall be as follows:

14 15 16	Year of Contribution Liability	Contribution Rate
17 18	1	2.7% of total taxable wages paid
19	2	2.7%
20	3	2.7%
21	4 and over	(chargeable benefits component based
22		upon 3-year experience) plus
23		(account building component based
24		upon 3-year experience) plus
25		(nonchargeable benefits component)

26 (6) To provide against the high risk of net loss to the fund  
 27 in such cases, any reorganized employer ~~which~~ THAT employs in  
 28 "employment", not necessarily simultaneously but in any 1 week 25  
 29 or more individuals in the performance of 1 or more contracts or

1 subcontracts for construction in the state of roads, bridges,  
 2 highways, sewers, water mains, utilities, public buildings, fac-  
 3 tories, housing developments, or similar major construction  
 4 projects, shall be liable beginning the first calendar year of  
 5 the employer's status as a reorganized employer for contribution  
 6 rates as follows:

7		
8	Year of Contribution	Contribution Rate
9	Liability	
10		
11	1	average construction contractor rate
12		as determined by the commission
13	2	average construction contractor rate
14		as determined by the commission
15	3	1/3 (chargeable benefits component)
16		+ 2/3 average construction contrac-
17		tor rate as determined by the com-
18		mission
19	4	2/3 (chargeable benefits component)
20		+ 1/3 average construction contrac-
21		tor rate as determined by the com-
22		mission
23	5 and over	(chargeable benefits component) +
24		(account building component) +
25		(nonchargeable benefits component)
26	(c) Upon application by an employer to the commission for	

27 designation as a distressed employer, the commission, within  
 28 60 days after receipt of the application, shall make a determina-  
 29 tion whether the employer meets the conditions set forth in this  
 30 subsection. Upon finding that the conditions are met, the com-  
 31 mission shall notify the legislature of the determination and  
 32 request legislative acquiescence in the determination. If the  
 33 legislature approves the determination by concurrent resolution,  
 34 the employer shall be considered to be a "distressed employer" as  
 35 of January 1 of the year in which the determination is made. The  
 36 commission shall notify the employer of ~~such~~ THAT determination

1 and notify the employer of its contribution rate as a distressed  
2 employer and the contribution rate that would apply if the  
3 employer was not a distressed employer. The distressed employer  
4 shall determine its tax contribution using the 2 rates furnished  
5 by the commission and shall pay its tax contribution based on the  
6 lower of the 2 rates. If the determination of distressed  
7 employer status is made during the calendar year, the employer  
8 shall be entitled to a credit on future quarterly installments  
9 for any excess contributions paid during that initial calendar  
10 year. The employer shall notify the commission of the difference  
11 between the amount paid and the amount ~~which~~ THAT would have  
12 been paid if the employer were not determined to be a distressed  
13 employer and the difference will be owed to the unemployment com-  
14 pensation fund, payable in accordance with this subsection.  
15 Cumulative totals of the difference must be reported to the com-  
16 mission with each return required to be filed. The commission  
17 may periodically determine continued eligibility of an employer  
18 under this subsection. When the commission makes a determination  
19 that an employer no longer qualifies as a distressed employer,  
20 the commission shall notify the employer of that determination.  
21 After notice by the commission that the employer no longer quali-  
22 fies as a distressed employer, the employer will be liable for  
23 contributions, beginning with the first quarter occurring after  
24 receipt of notification of disqualification, on the basis of the  
25 rate that would apply if the employer was not a distressed  
26 employer. The contribution rate for a distressed employer shall  
27 be calculated under the law in effect for the 1982 calendar year



1 except that the rate ~~thus~~ determined shall be reduced by the  
2 applicable solvency tax rate assessed against the employer under  
3 section 19a. The taxable wage limit of ~~such~~ A distressed  
4 employer for the 1983, 1984, and 1985 calendar years shall be the  
5 maximum amount of remuneration paid within a calendar year by  
6 ~~such an~~ A DISTRESSED employer subject to the federal unemploy-  
7 ment tax act, 26 U.S.C. 3301 to 3311, to an individual with  
8 respect to employment as defined in that act which is subject to  
9 tax under that act during that year. Commencing with the fourth  
10 quarter of 1986, the distressed employer will pay in 10 equal  
11 annual installments the amount of the unpaid contributions owed  
12 to the unemployment compensation fund due to the application of  
13 this subsection, without interest. Each installment shall be  
14 made with the fourth quarterly return for the respective year.  
15 As used in this subsection, "distressed employer" means an  
16 employer whose continued presence in this state is considered  
17 essential to the state's economic well-being and who meets the  
18 following criteria:

19 (1) The employer's average annual Michigan payroll in the 5  
20 previous years exceeded \$500,000,000.00.

21 (2) The employer's average quarterly number of employees in  
22 Michigan in the 5 previous years exceeded 25,000.

23 (3) The employer's business income as defined in section 3  
24 of ~~Act No. 228 of the Public Acts of 1975, being section 208.3~~  
25 ~~of the Michigan Compiled Laws~~ THE SINGLE BUSINESS TAX ACT, 1975  
26 PA 228, MCL 208.3, has resulted in an aggregate loss of  
27 \$1,000,000,000.00 or more during the 5-year period ending in the

1 second year prior to the year for which the application is being  
2 made.

3 (4) The employer has received from ~~the state of Michigan~~  
4 THIS STATE loans totaling \$50,000,000.00 or more or loan guaran-  
5 tees from the federal government in excess of \$500,000,000.00,  
6 either of which are still outstanding.

7 (5) Failure to give an employer designation as a distressed  
8 employer would adversely impair the employer's ability to repay  
9 the outstanding loans owed to ~~the state of Michigan or which~~  
10 THIS STATE OR THAT are guaranteed by the federal government.

11 (d) An employer may at any time make payments to that  
12 employer's experience account in the fund in excess of the  
13 requirements of this section, but these payments, when accepted  
14 by the commission, shall be irrevocable. A payment made by an  
15 employer within 30 days after mailing to the employer by the com-  
16 mission of a notice of the adjusted contribution rate of the  
17 employer shall be credited to the employer's account as of the  
18 computation date for which the adjusted contribution rate was  
19 computed, and the employer's contribution rate shall be further  
20 adjusted accordingly. However, a payment made more than 120 days  
21 after the beginning of a calendar year shall not affect the  
22 employer's contribution rate for that year.

23 Sec. 27. (a)(1) When a determination, redetermination, or  
24 decision is made that benefits are due an unemployed individual,  
25 the benefits shall ~~immediately~~ become payable from the fund 1  
26 WEEK FROM THE DATE OF THAT DETERMINATION, REDETERMINATION, OR  
27 DECISION and continue to be payable to the unemployed individual,

1 subject to the limitations imposed by the individual's monetary  
2 entitlement, ~~as long as~~ IF the individual continues to be unem-  
3 ployed and to file claims for benefits, until the determination,  
4 redetermination, or decision is reversed, a determination, rede-  
5 termination, or decision on a new issue holding the individual  
6 disqualified or ineligible is made, or, for benefit years begin-  
7 ning before the conversion date prescribed in section 75, a new  
8 separation issue arises resulting from subsequent work.

9 (2) Benefits shall be paid in person or by mail through  
10 employment offices in accordance with rules promulgated by the  
11 commission.

12 (b)(1) Subject to subsection (f), the weekly benefit rate  
13 for an individual, with respect to benefit years beginning before  
14 the conversion date prescribed in section 75, shall be 67% of the  
15 individual's average after tax weekly wage, except that the  
16 individual's maximum weekly benefit rate shall not exceed  
17 \$300.00. However, with respect to benefit years beginning after  
18 the conversion date as prescribed in section 75, the individual's  
19 weekly benefit rate shall be 4.1% of the individual's wages paid  
20 in the calendar quarter of the base period in which the individ-  
21 ual was paid the highest total wages, ~~plus \$6.00~~ NOT TO EXCEED  
22 \$315.00 FOR AN INDIVIDUAL WITH NO DEPENDENTS. AN INDIVIDUAL MAY  
23 RECEIVE AN ADDITIONAL \$20.00 for each dependent as defined in  
24 subdivision (3), up to a maximum of 5 dependents, claimed by the  
25 individual at the time the individual files a new claim for bene-  
26 fits, except that the individual's maximum weekly benefit rate,  
27 INCLUDING DEPENDENTS, shall not exceed ~~\$300.00~~ \$415.00. With

1 respect to benefit years beginning on or after October 2, 1983,  
2 the weekly benefit rate shall be adjusted to the next lower  
3 multiple of \$1.00.

4       (2) For benefit years beginning before the conversion date  
5 prescribed in section 75, the state average weekly wage for a  
6 calendar year shall be computed on the basis of the 12 months  
7 ending the June 30 immediately preceding that calendar year. The  
8 commission shall prepare a table of weekly benefit rates based on  
9 an "average after tax weekly wage" calculated by subtracting,  
10 from an individual's average weekly wage as determined in accord-  
11 ance with section 51, a reasonable approximation of the weekly  
12 amount required to be withheld by the employer from the remunera-  
13 tion of the individual based on dependents and exemptions for  
14 income taxes under chapter 24 of subtitle C of the internal reve-  
15 nue code of 1986, 26 U.S.C. 3401 to 3406, and under section 351  
16 of the income tax act of 1967, ~~Act No. 281 of the Public Acts of~~  
17 ~~1967, being section 206.351 of the Michigan Compiled Laws~~ 1967  
18 PA 281, MCL 206.351, and for old age and survivor's disability  
19 insurance taxes under the federal insurance contributions act,  
20 chapter 21 of subtitle C of the internal revenue code of 1986, 26  
21 U.S.C. 3128. For purposes of applying the table to an  
22 individual's claim, a dependent shall be as defined in  
23 subdivision (3). The table applicable to an individual's claim  
24 shall be the table reflecting the number of dependents claimed by  
25 the individual under subdivision (3). The commission shall  
26 adjust the tables based on changes in withholding schedules  
27 published by the United States department of treasury, internal

1 revenue service, and by the department of treasury. The number  
2 of dependents allowed shall be determined with respect to each  
3 week of unemployment for which an individual is claiming  
4 benefits.

5 (3) For benefit years beginning before the conversion date  
6 prescribed in section 75, a dependent means any of the following  
7 persons who is receiving and for at least 90 consecutive days  
8 immediately preceding the week for which benefits are claimed,  
9 or, in the case of a dependent husband, wife, or child, for the  
10 duration of the marital or parental relationship, if the rela-  
11 tionship has existed less than 90 days, has received more than  
12 half the cost of his or her support from the individual claiming  
13 benefits:

14 (a) A child, including stepchild, adopted child, or grand-  
15 child of the individual who is under 18 years of age, or 18 years  
16 of age or over if, because of physical or mental infirmity, the  
17 child is unable to engage in a gainful occupation, or is a  
18 full-time student as defined by the particular educational insti-  
19 tution, at a high school, vocational school, community or junior  
20 college, or college or university and has not attained the age of  
21 22.

22 (b) The husband or wife of the individual.

23 (c) The legal father or mother of the individual if that  
24 parent is either more than 65 years of age or is permanently dis-  
25 abled from engaging in a gainful occupation.

26 (d) A brother or sister of the individual if the brother or  
27 sister is orphaned or the living parents are dependent parents of

1 an individual, and the brother or sister is under 18 years of  
2 age, or 18 years of age or over if, because of physical or mental  
3 infirmity, the brother or sister is unable to engage in a gainful  
4 occupation, or is a full-time student as defined by the particu-  
5 lar educational institution, at a high school, vocational school,  
6 community or junior college, or college or university and is less  
7 than 22 years of age.

8       (4) For benefit years beginning after the conversion date  
9 prescribed in section 75, a dependent means any of the following  
10 persons who received for at least 90 consecutive days immediately  
11 preceding the first week of the benefit year or, in the case of a  
12 dependent husband, wife, or child, for the duration of the mari-  
13 tal or parental relationship if the relationship existed less  
14 than 90 days before the beginning of the benefit year, has  
15 received more than 1/2 the cost of his or her support from the  
16 individual claiming the benefits:

17       (a) A child, including stepchild, adopted child, or grand-  
18 child of the individual who is under 18 years of age, or 18 years  
19 of age and over if, because of physical or mental infirmity, the  
20 child is unable to engage in a gainful occupation, or is a  
21 full-time student as defined by the particular educational insti-  
22 tution, at a high school, vocational school, community or junior  
23 college, or college or university and has not attained the age of  
24 22.

25       (b) The husband or wife of the individual.

1 (c) The legal father or mother of the individual if that  
2 parent is either more than 65 years of age or is permanently  
3 disabled from engaging in a gainful occupation.

4 (d) A brother or sister of the individual if the brother or  
5 sister is orphaned or the living parents are dependent parents of  
6 an individual, and the brother or sister is under 18 years of  
7 age, or 18 years of age and over if, because of physical or  
8 mental infirmity, the brother or sister is unable to engage in a  
9 gainful occupation, or is a full-time student as defined by the  
10 particular educational institution, at a high school, vocational  
11 school, community or junior college, or college or university and  
12 is less than 22 years of age.

13 (5) For benefit years beginning before the conversion date  
14 prescribed in section 75, dependency status of a dependent, child  
15 or otherwise, once established or fixed in favor of an individual  
16 continues during the individual's benefit year until terminated.  
17 Dependency status of a dependent terminates at the end of the  
18 week in which the dependent ceases to be an individual described  
19 in subdivision (3)(a), (b), (c), or (d) because of age, death, or  
20 divorce. For benefit years beginning after the conversion date  
21 prescribed in section 75, the number of dependents established  
22 for an individual at the beginning of the benefit year shall  
23 remain in effect during the entire benefit year.

24 (6) For benefit years beginning before the conversion date  
25 prescribed in section 75, failure on the part of an individual,  
26 due to misinformation or lack of information, to furnish all  
27 information material for determination of the number of the

1 individual's dependents when the individual files a claim for  
2 benefits with respect to a week shall be considered good cause  
3 for the issuance of a redetermination as to the amount of bene-  
4 fits based on the number of the individual's dependents as of the  
5 beginning date of that week. Dependency status of a dependent,  
6 child or otherwise, once established or fixed in favor of a  
7 person is not transferable to or usable by another person with  
8 respect to the same week.

9       For benefit years beginning after the conversion date as  
10 prescribed in section 75, failure on the part of an individual,  
11 due to misinformation or lack of information, to furnish all  
12 information material for determination of the number of the  
13 individual's dependents shall be considered good cause for the  
14 issuance of a redetermination as to the amount of benefits based  
15 on the number of the individual's dependents as of the beginning  
16 of the benefit year.

17       (c) Subject to subsection (f), all of the following apply to  
18 eligible individuals:

19       (1) Each eligible individual shall be paid a weekly benefit  
20 rate ~~with respect to the week for which~~ FOR EACH WEEK THAT the  
21 individual earns or receives no remuneration, BEGINNING 1 WEEK  
22 AFTER THE FIRST WEEK THAT THE INDIVIDUAL EARNES OR RECEIVES NO  
23 REMUNERATION. Notwithstanding the definition of week ~~as~~  
24 ~~contained~~ in section 50, if within 2 consecutive weeks in which  
25 an individual was not unemployed within the meaning of section 48  
26 there was a period of 7 or more consecutive days for which the  
27 individual did not earn or receive remuneration, that period



1 shall be considered a week for benefit purposes under this act if  
2 a claim for benefits for that period is filed not later than 30  
3 days ~~subsequent to~~ AFTER the end of the period.

4 (2) Each eligible individual shall have his or her weekly  
5 benefit rate reduced with respect to each week in which the indi-  
6 vidual earns or receives remuneration at the rate of 50 cents for  
7 each whole \$1.00 of remuneration earned or received during that  
8 week.

9 (3) An individual who receives or earns partial remuneration  
10 may not receive a total of benefits and earnings that exceeds  
11 1-1/2 times his or her weekly benefit amount. For each dollar of  
12 total benefits and earnings that exceeds 1-1/2 times the  
13 individual's weekly benefit amount, benefits shall be reduced by  
14 \$1.00.

15 (4) If the reduction in a claimant's benefit rate for a week  
16 in accordance with subparagraph (2) or (3) results in a benefit  
17 rate greater than zero for that week, the claimant's balance of  
18 weeks of benefit payments will be reduced by 1 week.

19 (5) All remuneration for work performed during a shift that  
20 terminates on 1 day but that began on the preceding day shall be  
21 considered to have been earned by the eligible individual on the  
22 preceding day.

23 (d) For benefit years beginning before the conversion date  
24 prescribed in section 75, and subject to subsection (f) and this  
25 subsection, the amount of benefits to which an individual who is  
26 otherwise eligible is entitled during a benefit year from an  
27 employer with respect to employment during the base period is the

1 amount obtained by multiplying the weekly benefit rate with  
2 respect to that employment by  $\frac{3}{4}$  of the number of credit weeks  
3 earned in the employment. For the purpose of this subsection and  
4 section 20(c), if the resultant product is not an even multiple  
5 of  $\frac{1}{2}$  the weekly benefit rate, the product shall be raised to an  
6 amount equal to the next higher multiple of  $\frac{1}{2}$  the weekly bene-  
7 fit rate, and, for an individual who was employed by only 1  
8 employer in the individual's base period and earned 34 credit  
9 weeks with that employer, the product shall be raised to the next  
10 higher multiple of the weekly benefit rate. The maximum amount  
11 of benefits payable to an individual within a benefit year, with  
12 respect to employment by an employer, shall not exceed 26 times  
13 the weekly benefit rate with respect to that employment. The  
14 maximum amount of benefits payable to an individual within a ben-  
15 efit year shall not exceed the amount to which the individual  
16 would be entitled for 26 weeks of unemployment in which remunera-  
17 tion was not earned or received. The limitation of total bene-  
18 fits set forth in this subsection does not apply to claimants  
19 declared eligible for training benefits in accordance with sub-  
20 section (g). For benefit years beginning after the conversion  
21 date prescribed in section 75, and subject to subsection (f) and  
22 this subsection, the maximum benefit amount payable to an indi-  
23 vidual in a benefit year for purposes of this section and  
24 section 20(c) is the number of weeks of benefits payable to an  
25 individual during the benefit year, multiplied by the  
26 individual's weekly benefit rate. The number of weeks of  
27 benefits payable to an individual shall be calculated by taking

1 40% of the individual's base period wages and dividing the result  
2 by the individual's weekly benefit rate. If the quotient is not  
3 a whole or half number, the result shall be rounded down to the  
4 nearest half number. However, not more than 26 weeks of benefits  
5 or less than 14 weeks of benefits shall be payable to an individ-  
6 ual in a benefit year. The limitation of total benefits set  
7 forth in this subsection shall not apply to claimants declared  
8 eligible for training benefits in accordance with  
9 subsection (g).

10 (e) When a claimant dies or is judicially declared insane or  
11 mentally incompetent, unemployment compensation benefits accrued  
12 and payable to that person for weeks of unemployment before  
13 death, insanity, or incompetency, but not paid, shall become due  
14 and payable to the person who is the legal heir or guardian of  
15 the claimant or to any other person found by the commission to be  
16 equitably entitled to the benefits by reason of having incurred  
17 expense in behalf of the claimant for the claimant's burial or  
18 other necessary expenses.

19 (f)(1) For benefit years beginning before the conversion  
20 date prescribed in section 75, and notwithstanding any inconsis-  
21 tent provisions of this act, the weekly benefit rate of each  
22 individual who is receiving or will receive a "retirement  
23 benefit", as defined in subdivision (4), shall be adjusted as  
24 provided in subparagraphs (a), (b), and (c). However, an  
25 individual's extended benefit account and an individual's weekly  
26 extended benefit rate under section 64 shall be established  
27 without reduction under this subsection unless subdivision (5) is

1 in effect. Except as otherwise provided in this subsection, all  
2 other provisions of this act continue to apply in connection with  
3 the benefit claims of those retired persons.

4 (a) If and to the extent that unemployment benefits payable  
5 under this act would be chargeable to an employer who has con-  
6 tributed to the financing of a retirement plan under which the  
7 claimant is receiving or will receive a retirement benefit yield-  
8 ing a pro rata weekly amount equal to or larger than the  
9 claimant's weekly benefit rate as otherwise established under  
10 this act, the claimant shall not receive unemployment benefits  
11 that would be chargeable to the employer under this act.

12 (b) If and to the extent that unemployment benefits payable  
13 under this act would be chargeable to an employer who has con-  
14 tributed to the financing of a retirement plan under which the  
15 claimant is receiving or will receive a retirement benefit yield-  
16 ing a pro rata weekly amount less than the claimant's weekly ben-  
17 efit rate as otherwise established under this act, then the  
18 weekly benefit rate otherwise payable to the claimant and charge-  
19 able to the employer under this act shall be reduced by an amount  
20 equal to the pro rata weekly amount, adjusted to the next lower  
21 multiple of \$1.00, which the claimant is receiving or will  
22 receive as a retirement benefit.

23 (c) If the unemployment benefit payable under this act would  
24 be chargeable to an employer who has not contributed to the  
25 financing of a retirement plan under which the claimant is  
26 receiving or will receive a retirement benefit, then the weekly

1 benefit rate of the claimant as otherwise established under this  
2 act shall not be reduced due to receipt of a retirement benefit.

3 (d) If the unemployment benefit payable under this act is  
4 computed on the basis of multiemployer credit weeks and a portion  
5 of the benefit is allocable under section 20(e) to an employer  
6 who has contributed to the financing of a retirement plan under  
7 which the claimant is receiving or will receive a retirement ben-  
8 efit, the adjustments required by subparagraph (a) or (b) apply  
9 only to that portion of the weekly benefit rate that would other-  
10 wise be allocable and chargeable to the employer.

11 (2) If an individual's weekly benefit rate under this act  
12 was established before the period for which the individual first  
13 receives a retirement benefit, any benefits received after a  
14 retirement benefit becomes payable shall be determined in accord-  
15 ance with the formula stated in this subsection.

16 (3) When necessary to assure prompt payment of benefits, the  
17 commission shall determine the pro rata weekly amount yielded by  
18 an individual's retirement benefit based on the best information  
19 currently available to it. In the absence of fraud, a determina-  
20 tion shall not be reconsidered unless it is established that the  
21 individual's actual retirement benefit in fact differs from the  
22 amount determined by \$2.00 or more per week. The reconsideration  
23 shall apply only to benefits as may be claimed after the informa-  
24 tion on which the reconsideration is based was received by the  
25 commission.

1       (4)(a) As used in this subdivision, "retirement benefit"  
2 means a benefit, annuity, or pension of any type or that part  
3 thereof that is described in subparagraph (b) that is:

4       (i) Provided as an incident of employment under an estab-  
5 lished retirement plan, policy, or agreement, including federal  
6 social security if subdivision (5) is in effect.

7       (ii) Payable to an individual because the individual has  
8 qualified on the basis of attained age, length of service, or  
9 disability, whether or not the individual retired or was retired  
10 from employment. Amounts paid to individuals in the course of  
11 liquidation of a private pension or retirement fund because of  
12 termination of the business or of a plant or department of the  
13 business of the employer involved shall not be considered to be  
14 retirement benefits.

15       (b) If a benefit as described in subparagraph (a) is payable  
16 or paid to the individual under a plan to which the individual  
17 has contributed:

18       (i) Less than half of the cost of the benefit, then only  
19 half of the benefit shall be treated as a retirement benefit.

20       (ii) Half or more of the cost of the benefit, then none of  
21 the benefit shall be treated as a retirement benefit.

22       (c) The burden of establishing the extent of an individual's  
23 contribution to the cost of his or her retirement benefit for the  
24 purpose of subparagraph (b) is upon the employer who has contrib-  
25 uted to the plan under which a benefit is provided.

26       (5) Notwithstanding any other provision of this subsection,  
27 for any week that begins after March 31, 1980, and with respect

1 to which an individual is receiving a governmental or other  
2 pension and claiming unemployment compensation, the weekly bene-  
3 fit amount payable to the individual for those weeks shall be  
4 reduced, but not below zero, by the entire prorated weekly amount  
5 of any governmental or other pension, retirement or retired pay,  
6 annuity, or any other similar payment that is based on any previ-  
7 ous work of the individual. This reduction shall be made only if  
8 it is required as a condition for full tax credit against the tax  
9 imposed by the federal unemployment tax act, chapter 23 of  
10 subtitle C of the internal revenue code of 1986, 26 U.S.C. 3301  
11 to 3311.

12 (6) For benefit years beginning after the conversion date  
13 prescribed in section 75, notwithstanding any inconsistent provi-  
14 sions of this act, the weekly benefit rate of each individual who  
15 is receiving or will receive a retirement benefit, as defined in  
16 subdivision (4), shall be adjusted as provided in  
17 subparagraphs (a), (b), and (c). However, an individual's  
18 extended benefit account and an individual's weekly extended ben-  
19 efit rate under section 64 shall be established without reduction  
20 under this subsection, unless subdivision (5) is in effect.  
21 Except as otherwise provided in this subsection, all the other  
22 provisions of this act shall continue to be applicable in connec-  
23 tion with the benefit claims of those retired persons.

24 (a) If any base period or chargeable employer has contrib-  
25 uted to the financing of a retirement plan under which the claim-  
26 ant is receiving or will receive a retirement benefit yielding a  
27 pro rata weekly amount equal to or larger than the claimant's

1 weekly benefit rate as otherwise established under this act, the  
2 claimant shall not receive unemployment benefits.

3       (b) If any base period employer or chargeable employer has  
4 contributed to the financing of a retirement plan under which the  
5 claimant is receiving or will receive a retirement benefit yield-  
6 ing a pro rata weekly amount less than the claimant's weekly ben-  
7 efit rate as otherwise established under this act, then the  
8 weekly benefit rate otherwise payable to the claimant shall be  
9 reduced by an amount equal to the pro rata weekly amount,  
10 adjusted to the next lower multiple of \$1.00, which the claimant  
11 is receiving or will receive as a retirement benefit.

12       (c) If no base period or separating employer has contributed  
13 to the financing of a retirement plan under which the claimant is  
14 receiving or will receive a retirement benefit, then the weekly  
15 benefit rate of the claimant as otherwise established under this  
16 act shall not be reduced due to receipt of a retirement benefit.

17       (g) Notwithstanding any other provision of this act, an  
18 individual pursuing vocational training or retraining pursuant to  
19 section 28(2) who has exhausted all benefits available under sub-  
20 section (d) may be paid for each week of approved vocational  
21 training pursued beyond the date of exhaustion a benefit amount  
22 in accordance with subsection (c), but not in excess of the  
23 individual's most recent weekly benefit rate. However, an indi-  
24 vidual shall not be paid training benefits totaling more than 18  
25 times the individual's most recent weekly benefit rate. The  
26 expiration or termination of a benefit year shall not stop or  
27 interrupt payment of training benefits if the training for which



1 the benefits were granted began before expiration or termination  
2 of the benefit year.

3 (h) A payment of accrued unemployment benefits shall not be  
4 made to an eligible individual or in behalf of that individual as  
5 provided in subsection (e) more than 6 years after the ending  
6 date of the benefit year covering the payment or 2 calendar years  
7 after the calendar year in which there is final disposition of a  
8 contested case, whichever is later.

9 (i) Benefits based on service in employment described in  
10 section 42(8), (9), and (10) are payable in the same amount, on  
11 the same terms, and subject to the same conditions as compensa-  
12 tion payable on the basis of other service subject to this act,  
13 except that:

14 (1) With respect to service performed in an instructional,  
15 research, or principal administrative capacity for an institution  
16 of higher education as defined in section 53(2), or for an educa-  
17 tional institution other than an institution of higher education  
18 as defined in section 53(3), benefits shall not be paid to an  
19 individual based on those services for any week of unemployment  
20 beginning after December 31, 1977 that commences during the  
21 period between 2 successive academic years or during a similar  
22 period between 2 regular terms, whether or not successive, or  
23 during a period of paid sabbatical leave provided for in the  
24 individual's contract, to an individual if the individual per-  
25 forms the service in the first of the academic years or terms and  
26 if there is a contract or a reasonable assurance that the  
27 individual will perform service in an instructional, research, or

1 principal administrative capacity for an institution of higher  
2 education or an educational institution other than an institution  
3 of higher education in the second of the academic years or terms,  
4 whether or not the terms are successive.

5       (2) With respect to service performed in other than an  
6 instructional, research, or principal administrative capacity for  
7 an institution of higher education as defined in section 53(2) or  
8 for an educational institution other than an institution of  
9 higher education as defined in section 53(3), benefits shall not  
10 be paid based on those services for any week of unemployment  
11 beginning after December 31, 1977 that commences during the  
12 period between 2 successive academic years or terms to any indi-  
13 vidual if that individual performs the service in the first of  
14 the academic years or terms and if there is a reasonable assur-  
15 ance that the individual will perform the service for an institu-  
16 tion of higher education or an educational institution other than  
17 an institution of higher education in the second of the academic  
18 years or terms.

19       (3) With respect to any service described in subdivision (1)  
20 or (2), benefits shall not be paid to an individual based upon  
21 service for any week of unemployment that commences during an  
22 established and customary vacation period or holiday recess if  
23 the individual performs the service in the period immediately  
24 before the vacation period or holiday recess and there is a con-  
25 tract or reasonable assurance that the individual will perform  
26 the service in the period immediately following the vacation  
27 period or holiday recess.

1 (4) If benefits are denied to an individual for any week  
2 solely as a result of subdivision (2) and the individual was not  
3 offered an opportunity to perform in the second academic year or  
4 term the service for which reasonable assurance had been given,  
5 the individual is entitled to a retroactive payment of benefits  
6 for each week for which the individual had previously filed a  
7 timely claim for benefits. An individual entitled to benefits  
8 under this subdivision may apply for those benefits by mail in  
9 accordance with R 421.210 as promulgated by the commission.

10 ~~(5) The amendments to subdivision (2) made by Act No. 219~~  
11 ~~of the Public Acts of 1983 apply to all claims for unemployment~~  
12 ~~compensation that are filed on and after October 31, 1983.~~  
13 ~~However, the amendments are retroactive to September 5, 1982 only~~  
14 ~~if, as a condition for full tax credit against the tax imposed by~~  
15 ~~the federal unemployment tax act, chapter 23 of subtitle C of the~~  
16 ~~internal revenue code of 1986, 26 U.S.C. 3301 to 3311, the United~~  
17 ~~States secretary of labor determines that retroactivity is~~  
18 ~~required by federal law.~~

19 (5) ~~(6) Notwithstanding subdivision (2), on and after April~~  
20 ~~1, 1984 benefits~~ BENEFITS based upon services in other than an  
21 instructional, research, or principal administrative capacity for  
22 an institution of higher education shall not be denied for any  
23 week of unemployment commencing during the period between 2 suc-  
24 cessive academic years or terms solely because the individual had  
25 performed the service in the first of the academic years or terms  
26 and there is reasonable assurance that the individual will  
27 perform the service for an institution of higher education or an

1 educational institution other than an institution of higher  
2 education in the second of the academic years or terms, unless a  
3 denial is required as a condition for full tax credit against the  
4 tax imposed by the federal unemployment tax act, chapter 23 of  
5 subtitle C of the internal revenue code of 1986, 26 U.S.C. 3301  
6 to 3311.

7       (6) ~~-(7)-~~ For benefit years established before the conver-  
8 sion date prescribed in section 75, and notwithstanding subdivi-  
9 sions (1), (2), and (3), the denial of benefits does not prevent  
10 an individual from completing requalifying weeks in accordance  
11 with section 29(3) nor does the denial prevent an individual from  
12 receiving benefits based on service with an employer other than  
13 an educational institution for any week of unemployment occurring  
14 between academic years or terms, whether or not successive, or  
15 during an established and customary vacation period or holiday  
16 recess, even though the employer is not the most recent charge-  
17 able employer in the individual's base period. However, in that  
18 case section 20(b) applies to the sequence of benefit charging,  
19 except for the employment with the educational institution, and  
20 section 50(b) applies to the calculation of credit weeks. When a  
21 denial of benefits under subdivision (1) no longer applies, bene-  
22 fits shall be charged in accordance with the normal sequence of  
23 charging as provided in section 20(b).

24       (7) ~~-(8)-~~ For benefit years beginning after the conversion  
25 date prescribed in section 75, and notwithstanding subdivisions  
26 (1), (2), and (3), the denial of benefits shall not prevent an  
27 individual from completing requalifying weeks in accordance with

1 section 29(3) nor shall the denial prevent an individual from  
2 receiving benefits based on service with another base period  
3 employer other than an educational institution for any week of  
4 unemployment occurring between academic years or terms, whether  
5 or not successive, or during an established and customary vaca-  
6 tion period or holiday recess. However, when benefits are paid  
7 based on service with 1 or more base period employers other than  
8 an educational institution, the individual's weekly benefit rate  
9 shall be calculated in accordance with subsection (b)(1) but  
10 during the denial period the individual's weekly benefit payment  
11 shall be reduced by the portion of the payment attributable to  
12 base period wages paid by an educational institution and the  
13 account or experience account of the educational institution  
14 shall not be charged for benefits payable to the individual.  
15 When a denial of benefits under subdivision (1) is no longer  
16 applicable, benefits shall be paid and charged on the basis of  
17 base period wages with each of the base period employers includ-  
18 ing the educational institution.

19 (8) ~~-(9)-~~ For the purposes of this subsection, "academic  
20 year" means that period, as defined by the educational institu-  
21 tion, when classes are in session for that length of time  
22 required for students to receive sufficient instruction or earn  
23 sufficient credit to complete academic requirements for a partic-  
24 ular grade level or to complete instruction in a noncredit  
25 course.

26 (9) ~~-(10)- Benefits~~ IN ACCORDANCE WITH SUBDIVISIONS (1),  
27 (2), AND (3), BENEFITS FOR ANY WEEK OF UNEMPLOYMENT shall be

1 denied ~~, as provided in subdivisions (1), (2), and (3), for any~~  
2 ~~week of unemployment beginning on and after April 1, 1984,~~ to an  
3 individual who performed ~~those~~ services DESCRIBED IN  
4 SUBDIVISION (1), (2), OR (3) in an educational institution while  
5 in the employ of an educational service agency. For the purpose  
6 of this subdivision, "educational service agency" means a govern-  
7 mental agency or governmental entity that is established and  
8 operated exclusively for the purpose of providing the services to  
9 1 or more educational institutions.

10 (j) ~~For weeks of unemployment beginning after December 31,~~  
11 ~~1977, benefits~~ BENEFITS shall not be paid to an individual on  
12 the basis of any base period services, substantially all of which  
13 consist of participating in sports or athletic events or training  
14 or preparing to ~~so~~ participate, for a week that commences  
15 during the period between 2 successive sport seasons or similar  
16 periods if the individual performed the services in the first of  
17 the seasons or similar periods and there is a reasonable assur-  
18 ance that the individual will perform the services in the later  
19 of the seasons or similar periods.

20 (k)(1) ~~For weeks of unemployment beginning after~~  
21 ~~December 31, 1977, benefits~~ BENEFITS shall not be payable on the  
22 basis of services performed by an alien unless the alien is an  
23 individual who was lawfully admitted for permanent residence at  
24 the time the services were performed, was lawfully present for  
25 the purpose of performing the services, or was permanently resid-  
26 ing in the United States under color of law at the time the  
27 services were performed, including an alien who was lawfully

1 present in the United States under ~~section 203(a)(7) or~~ section  
2 212(d)(5) of the immigration and nationality act, CHAPTER 477, 66  
3 STAT. 182, 8 U.S.C. ~~1153 and~~ 1182.

4 (2) Any data or information required of individuals applying  
5 for benefits to determine whether benefits are payable because of  
6 their alien status are uniformly required from all applicants for  
7 benefits.

8 (3) Where an individual whose application for benefits would  
9 otherwise be approved, a determination that benefits to that  
10 individual are not payable because of the individual's alien  
11 status shall not be made except upon a preponderance of the  
12 evidence.

13 (m)(1) An individual filing a new claim for unemployment  
14 compensation under this act, ~~after September 30, 1982,~~ at the  
15 time of filing the claim, shall disclose whether the individual  
16 owes child support obligations as defined in this subsection. If  
17 an individual discloses that he or she owes child support obliga-  
18 tions and is determined to be eligible for unemployment compensa-  
19 tion, the commission shall notify the state or local child sup-  
20 port enforcement agency enforcing the obligation that the indi-  
21 vidual has been determined to be eligible for unemployment  
22 compensation.

23 (2) Notwithstanding section 30, the commission shall deduct  
24 and withhold from any unemployment compensation payable to an  
25 individual who owes child support obligations by using whichever  
26 of the following methods results in the greatest amount:

1 (a) The amount, if any, specified by the individual to be  
2 deducted and withheld under this subdivision.

3 (b) The amount, if any, determined pursuant to an agreement  
4 submitted to the commission under section 454(19)(B)(i) of part D  
5 of title IV of the social security act, ~~chapter 531, 49~~  
6 ~~Stat. 620,~~ 42 U.S.C. 654, by the state or local child support  
7 enforcement agency.

8 (c) Any amount otherwise required to be ~~so~~ deducted and  
9 withheld from unemployment compensation pursuant to legal pro-  
10 cess, as that term is defined in section 462(e) of part D of  
11 title IV of the social security act, ~~chapter 531, 49 Stat. 620,~~  
12 42 U.S.C. 662, properly served upon the commission.

13 (3) The amount of unemployment compensation subject to  
14 deduction under subdivision (2) is that portion that remains pay-  
15 able to the individual after application of the recoupment provi-  
16 sions of section 62(a) and the reduction provisions of  
17 subsections (c) and (f).

18 (4) Any amount deducted and withheld under subdivision (2)  
19 shall be paid by the commission to the appropriate state or local  
20 child support enforcement agency.

21 (5) Any amount deducted and withheld under subdivision (2)  
22 shall be treated for all purposes as if it were paid to the indi-  
23 vidual as unemployment compensation and paid by the individual to  
24 the state or local child support enforcement agency in satisfac-  
25 tion of the individual's child support obligations.

26 (6) This subsection applies only if the state or local child  
27 support enforcement agency agrees in writing to reimburse and



1 does reimburse the commission for the administrative costs  
2 incurred by the commission under this subsection that are attrib-  
3 utable to child support obligations being enforced by the state  
4 or local child support enforcement agency. The administrative  
5 costs incurred shall be determined by the commission. The com-  
6 mission, in its discretion, may require payment of administrative  
7 costs in advance.

8 (7) As used in this subsection:

9 (a) "Unemployment compensation", for purposes of  
10 subdivisions (1) through (5), means any compensation payable  
11 under this act, including amounts payable by the commission pur-  
12 suant to an agreement under any federal law providing for compen-  
13 sation, assistance, or allowances with respect to unemployment.

14 (b) "Child support obligations" includes only obligations  
15 that are being enforced pursuant to a plan described in  
16 section 454 of part D of title IV of the social security act,  
17 ~~chapter 531, 49 Stat. 620,~~ 42 U.S.C. 654, that has been  
18 approved by the secretary of health and human services under  
19 part D of title IV of the social security act, chapter 531, 49  
20 Stat. 620, 42 U.S.C. 651 to ~~669~~ 655, 656 TO 660, AND 663 TO  
21 669b.

22 (c) "State or local child support enforcement agency" means  
23 any agency of this state or a political subdivision of this state  
24 operating pursuant to a plan described in subparagraph (b).

25 (n) Subsection (i)(2) applies to services performed by  
26 school bus drivers employed by a private contributing employer  
27 holding a contractual relationship with an educational

1 institution, but only if at least 75% of the individual's base  
2 period wages with that employer are attributable to services per-  
3 formed as a school bus driver.

4       (o)(1) For weeks of unemployment beginning after July 1,  
5 1996, unemployment benefits based on services by a seasonal  
6 worker performed in seasonal employment shall be payable only for  
7 weeks of unemployment that occur during the normal seasonal work  
8 period. Benefits shall not be paid based on services performed  
9 in seasonal employment for any week of unemployment beginning  
10 after ~~the effective date of this subdivision~~ MARCH 28, 1996  
11 that begins during the period between 2 successive normal sea-  
12 sonal work periods to any individual if that individual performs  
13 the service in the first of the normal seasonal work periods and  
14 if there is a reasonable assurance that the individual will per-  
15 form the service for a seasonal employer in the second of the  
16 normal seasonal work periods. If benefits are denied to an indi-  
17 vidual for any week solely as a result of this subsection and the  
18 individual is not offered an opportunity to perform in the second  
19 normal seasonal work period for which reasonable assurance of  
20 employment had been given, the individual is entitled to a retro-  
21 active payment of benefits under this subsection for each week  
22 that the individual previously filed a timely claim for  
23 benefits. An individual may apply for any retroactive benefits  
24 under this subsection in accordance with R 421.210 of the  
25 Michigan administrative code.

26       (2) Not less than 20 days before the estimated beginning  
27 date of a normal seasonal work period, an employer may apply to

1 the commission in writing for designation as a seasonal  
2 employer. At the time of application, the employer shall con-  
3 spicuously display a copy of the application on the employer's  
4 premises. Within 90 days after receipt of the application, the  
5 commission shall determine if the employer is a seasonal  
6 employer. A determination or redetermination of the commission  
7 concerning the status of an employer as a seasonal employer, or a  
8 decision of a referee or the board of review, or of the courts of  
9 this state concerning the status of an employer as a seasonal  
10 employer, which has become final, together with the record there-  
11 of, may be introduced in any proceeding involving a claim for  
12 benefits, and the facts found and decision issued in the determi-  
13 nation, redetermination, or decision shall be conclusive unless  
14 substantial evidence to the contrary is introduced by or on  
15 behalf of the claimant.

16 (3) If the employer is determined to be a seasonal employer,  
17 the employer shall conspicuously display on its premises a notice  
18 of the determination and the beginning and ending dates of the  
19 employer's normal seasonal work periods. The notice shall be  
20 furnished by the commission. The notice shall additionally spec-  
21 ify that an employee must timely apply for unemployment benefits  
22 at the end of a first seasonal work period to preserve his or her  
23 right to receive retroactive unemployment benefits in the event  
24 that he or she is not reemployed by the seasonal employer in the  
25 second of the normal seasonal work periods.

26 (4) The commission may issue a determination terminating an  
27 employer's status as a seasonal employer on the commission's own

1 motion for good cause, or upon the written request of the  
2 employer. A termination determination under this subdivision  
3 terminates an employer's status as a seasonal employer, and shall  
4 become effective on the beginning date of the normal seasonal  
5 work period that would have immediately followed the date the  
6 commission issues the determination. A determination under this  
7 subdivision is subject to review in the same manner and to the  
8 same extent as any other determination under this act.

9 (5) An employer whose status as a seasonal employer is ter-  
10 minated under subdivision (4) may not reapply for a seasonal  
11 employer status determination until after a regularly recurring  
12 normal seasonal work period has begun and ended.

13 (6) If a seasonal employer informs an employee who received  
14 assurance of being rehired that, despite the assurance, the  
15 employee will not be rehired at the beginning of the employer's  
16 next normal seasonal work period, this subsection shall not pre-  
17 vent the employee from receiving unemployment benefits in the  
18 same manner and to the same extent he or she would receive bene-  
19 fits under this act from an employer who has not been determined  
20 to be a seasonal employer.

21 (7) A successor of a seasonal employer is considered to be a  
22 seasonal employer unless the successor provides the commission,  
23 within 120 days after the transfer, with a written request for  
24 termination of its status as a seasonal employer in accordance  
25 with subdivision (4).

26 (8) At the time an employee is hired by a seasonal employer,  
27 the employer shall notify the employee in writing whether the

1 employee will be a seasonal worker. The employer shall provide  
2 the worker with written notice of any subsequent change in the  
3 employee's status as a seasonal worker. If an employee of a sea-  
4 sonal employer is denied benefits because that employee is a sea-  
5 sonal worker, the employee may contest that designation in  
6 accordance with section 32a.

7 (9) As used in this subsection:

8 (a) "Construction industry" means the work activity desig-  
9 nated in ~~major groups 15, 16, and 17 of the standard industrial~~  
10 ~~classification manual, United States office of management and~~  
11 ~~budget, 1987 edition~~ SECTOR GROUP 23 -- CONSTRUCTION OF THE  
12 NORTH AMERICAN CLASSIFICATION SYSTEM -- UNITED STATES OFFICE OF  
13 MANAGEMENT AND BUDGET, 1997 EDITION.

14 (b) "Normal seasonal work period" means that period or those  
15 periods of time determined pursuant to rules promulgated by the  
16 commission during which an individual is employed in seasonal  
17 employment.

18 (c) "Seasonal employment" means the employment of 1 or more  
19 individuals primarily hired to perform services in an industry,  
20 other than the construction industry, that does either of the  
21 following:

22 (1) Customarily operates during regularly recurring periods  
23 of 26 weeks or less in any 52-consecutive-week period.

24 (2) Customarily employs at least 50% of its employees for  
25 regularly recurring periods of 26 weeks or less within a period  
26 of 52 consecutive weeks.

1 (d) "Seasonal employer" means an employer, other than an  
2 employer in the construction industry, who applies to the  
3 commission for designation as a seasonal employer and who the  
4 commission determines to be an employer whose operations and  
5 business are substantially engaged in seasonal employment.

6 (e) "Seasonal worker" means a worker who has been paid wages  
7 by a seasonal employer for work performed only during the normal  
8 seasonal work period.

9 (10) If this subsection is found by the United States  
10 department of labor to be contrary to the federal unemployment  
11 tax act, chapter 23 of the internal revenue code of 1986, 26  
12 U.S.C. 3301 to 3311, or the social security act, chapter 531, 49  
13 Stat. 620, and if conformity with the federal law is required as  
14 a condition for full tax credit against the tax imposed under the  
15 federal unemployment tax act or as a condition for receipt by the  
16 commission of federal administrative grant funds under the social  
17 security act, this subsection shall be invalid.

18 (p) Benefits shall not be paid to an individual based upon  
19 his or her services as a school crossing guard for any week of  
20 unemployment that begins between 2 successive academic years or  
21 terms, if that individual performs the services of a school  
22 crossing guard in the first of the academic years or terms and  
23 has a reasonable assurance that he or she will perform those  
24 services in the second of the academic years or terms.

25 Sec. 29. (1) An individual is disqualified from receiving  
26 benefits if he or she:

1 (a) Left work voluntarily without good cause attributable to  
2 the employer or employing unit. However, if the individual has  
3 an established benefit year in effect and during that benefit  
4 year leaves unsuitable work within 60 days after the beginning of  
5 that work, the leaving does not disqualify the individual.

6 (b) Was discharged for misconduct connected with the  
7 individual's work or for intoxication while at work unless the  
8 discharge was subsequently reduced to a disciplinary layoff or  
9 suspension.

10 (c) Failed without good cause to apply for available suit-  
11 able work after receiving from the employment office or the com-  
12 mission notice of the availability of that work.

13 (d) Failed without good cause while unemployed to report to  
14 the individual's former employer or employing unit within a rea-  
15 sonable time after that employer or employing unit provided  
16 notice of the availability of an interview concerning available  
17 suitable work with the former employer or employing unit.

18 (e) Failed without good cause to accept suitable work  
19 offered to the individual or to return to the individual's cus-  
20 tomary self-employment, if any, when directed by the employment  
21 office or the commission.

22 (f) Lost his or her job due to absence from work resulting  
23 from a violation of law for which the individual was convicted  
24 and sentenced to jail or prison. This subdivision does not apply  
25 if conviction of an individual results in a sentence to county  
26 jail under conditions of day parole as provided in ~~Act No. 60 of~~  
27 ~~the Public Acts of 1962, being sections 801.251 to 801.258 of the~~

1 ~~Michigan Compiled Laws~~ 1962 PA 60, MCL 801.251 TO 801.258, or if  
2 the conviction was for a traffic violation that resulted in an  
3 absence of less than 10 consecutive work days from the  
4 individual's place of employment.

5 (g) Is discharged, whether or not the discharge is subse-  
6 quently reduced to a disciplinary layoff or suspension, for par-  
7 ticipation in either of the following:

8 (i) A strike or other concerted action in violation of an  
9 applicable collective bargaining agreement that results in cur-  
10 tailment of work or restriction of or interference with  
11 production.

12 (ii) A wildcat strike or other concerted action not autho-  
13 rized by the individual's recognized bargaining representative.

14 (h) Was discharged for an act of assault and battery con-  
15 nected with the individual's work.

16 (i) Was discharged for theft connected with the individual's  
17 work.

18 (j) Was discharged for willful destruction of property con-  
19 nected with the individual's work.

20 (k) Committed a theft after receiving notice of a layoff or  
21 discharge, but before the effective date of the layoff or dis-  
22 charge, resulting in loss or damage to the employer who would  
23 otherwise be chargeable for the benefits, regardless of whether  
24 the individual qualified for the benefits before the theft.

25 (l) Was employed by a temporary help firm, which as used in  
26 this section means an employer whose primary business is to  
27 provide a client with the temporary services of 1 or more



1 individuals under contract with the employer, to perform services  
2 for a client of that firm if each of the following conditions is  
3 met:

4       (i) The temporary help firm provided the employee with a  
5 written notice before the employee began performing services for  
6 the client stating in substance both of the following:

7       (A) That within 7 days after completing services for a  
8 client of the temporary help firm, the employee is under a duty  
9 to notify the temporary help firm of the completion of those  
10 services.

11       (B) That a failure to provide the temporary help firm with  
12 notice of the employee's completion of services pursuant to  
13 sub-subparagraph (A) constitutes a voluntary quit that will  
14 affect the employee's eligibility for unemployment compensation  
15 should the employee seek unemployment compensation following com-  
16 pletion of those services.

17       (ii) The employee did not provide the temporary help firm  
18 with notice that the employee had completed his or her services  
19 for the client within 7 days after completion of his or her serv-  
20 ices for the client.

21       (m) Was discharged for (i) Illegally ingesting, injecting,  
22 inhaling, or possessing a controlled substance on the premises of  
23 the employer, (ii) Refusing to submit to a drug test that was  
24 required to be administered in a nondiscriminatory manner, or  
25 (iii) Testing positive on a drug test, if the test was adminis-  
26 tered in a nondiscriminatory manner. If the worker disputes the  
27 result of the testing, a generally accepted confirmatory test

1 shall be administered and shall also indicate a positive result  
 2 for the presence of a controlled substance before a disqualifica-  
 3 tion of the worker under this subdivision. As used in this  
 4 subdivision:

5 (A) "Controlled substance" means that term as defined in  
 6 section 7104 of the public health code, ~~Act No. 368 of the~~  
 7 ~~Public Acts of 1978, being section 333.7104 of the Michigan~~  
 8 ~~Compiled Laws~~ 1978 PA 368, MCL 333.7104.

9 (B) "Drug test" means a test designed to detect the illegal  
 10 use of a controlled substance.

11 (C) "Nondiscriminatory manner" means administered impar-  
 12 tially and objectively in accordance with a collective bargaining  
 13 agreement, rule, policy, a verbal or written notice, or a  
 14 labor-management contract.

15 (n) Has an income exceeding \$100,000.00 for the calendar  
 16 year in which he or she applies for benefits. This subdivision  
 17 shall not take effect unless both of the following occur:

18 (i) Within 30 days ~~of the effective date of the act that~~  
 19 ~~added subdivision (l)~~ AFTER MARCH 26, 1996, the governor  
 20 requests from the United States department of labor a determina-  
 21 tion confirming whether this subdivision is in conformity with  
 22 the federal unemployment tax act, chapter 23 — of SUBTITLE C OF  
 23 the internal revenue code of 1986, 26 U.S.C. 3301 to 3311, and  
 24 the social security act, CHAPTER 531, 49 Stat. 620, and whether  
 25 conformity with those federal acts is a condition for a full tax  
 26 credit against the tax imposed under the federal unemployment tax  
 27 act, ~~(FUTA)~~ CHAPTER 23 OF SUBTITLE C OF THE INTERNAL REVENUE

1 CODE OF 1986, 26 U.S.C. 3301 TO 3311, or is a condition for state  
2 receipt of federal administrative grant funds under the social  
3 security act, CHAPTER 531, 49 STAT. 620.

4 (ii) The United States department of labor determines that  
5 this subdivision is in conformity with the acts described in sub-  
6 paragraph (i), or verifies that conformity with those federal  
7 acts is not a condition for a tax credit or a grant described in  
8 subparagraph (i).

9 (2) A disqualification under subsection (1) begins the week  
10 in which the act or discharge that caused the disqualification  
11 occurs and continues until the disqualified individual requali-  
12 fies under subsection (3), except that for benefit years begin-  
13 ning before the conversion date prescribed in section 75, the  
14 disqualification does not prevent the payment of benefits if  
15 there are credit weeks, other than multiemployer credit weeks,  
16 after the most recent disqualifying act or discharge.

17 (3) After the week in which the disqualifying act or dis-  
18 charge described in subsection (1) occurs, an individual who  
19 seeks to requalify for benefits is subject to all of the  
20 following:

21 (a) For benefit years established before the conversion date  
22 described in section 75, the individual shall complete 6 requali-  
23 fying weeks if he or she was disqualified under  
24 subsection (1)(c), (d), (e), (f), (g), or (l), or 13 requalifying  
25 weeks if he or she was disqualified under subsection (1)(h), (i),  
26 (j), (k), or (m). A requalifying week required under this

1 subsection shall be each week in which the individual does any of  
2 the following:

3       (i) Earns or receives remuneration in an amount at least  
4 equal to an amount needed to earn a credit week, as that term is  
5 defined in section 50.

6       (ii) Otherwise meets all of the requirements of this act to  
7 receive a benefit payment if the individual were not disqualified  
8 under subsection (1).

9       (iii) Receives a benefit payment based on credit weeks sub-  
10 sequent to the disqualifying act or discharge.

11       (b) For benefit years established before the conversion date  
12 prescribed in section 75, if the individual is disqualified under  
13 subsection (1)(a) or (b), he or she shall requalify, after the  
14 week in which the disqualifying discharge occurred by earning in  
15 employment for an employer liable under this act or the unemploy-  
16 ment compensation act of another state an amount equal to, or in  
17 excess of, 7 times the individual's potential weekly benefit  
18 rate, calculated on the basis of employment with the employer  
19 involved in the disqualification, or by earning in employment for  
20 an employer liable under this act or the unemployment compensa-  
21 tion act of another state an amount equal to, or in excess of, 40  
22 times the state minimum hourly wage times 7, whichever is the  
23 lesser amount.

24       (c) For benefit years established before the conversion date  
25 prescribed in section 75, a benefit payable to an individual dis-  
26 qualified under subsection (1)(a) or (b), shall be charged to the  
27 nonchargeable benefits account, and not to the account of the

1 employer with whom the individual was involved in the  
2 disqualification.

3 (d) For benefit years beginning after the conversion date  
4 prescribed in section 75, subsequent to the week in which the  
5 disqualifying act or discharge occurred, an individual shall com-  
6 plete ~~6~~ 13 requalifying weeks if he or she was disqualified  
7 under subsection (1)(c), (d), (e), (f), (g), or (l), or ~~13~~ 26  
8 requalifying weeks if he or she was disqualified under  
9 subsection (1)(h), (i), (j), (k), or (m). A requalifying week  
10 required under this subsection shall be each week in which the  
11 individual does any of the following:

12 (i) Earns or receives remuneration in an amount equal to at  
13 least 1/13 of the minimum amount needed in a calendar quarter of  
14 the base period for an individual to qualify for benefits,  
15 rounded down to the nearest whole dollar.

16 (ii) Otherwise meets all of the requirements of this act to  
17 receive a benefit payment if the individual were not disqualified  
18 under subsection (1).

19 (e) For benefit years beginning after the conversion date  
20 prescribed in section 75, if the individual is disqualified under  
21 subsection (1)(a) or (b), he or she shall requalify, after the  
22 week in which the disqualifying act or discharge occurred by  
23 earning in employment for an employer liable under this act or  
24 the unemployment compensation law of another state at least ~~the~~  
25 ~~lesser of the following: (i) Seven~~ 17 times the individual's  
26 weekly benefit rate.

~~(ii) Forty times the state minimum hourly wage times 7.~~

(f) A benefit payable to the individual disqualified or separated under disqualifying circumstances under subsection (1)(a) or (b), shall be charged to the nonchargeable benefits account, and not to the account of the employer with whom the individual was involved in the separation. Benefits payable to an individual determined by the commission to be separated under disqualifying circumstances shall not be charged to the account of the employer involved in the disqualification for any period after the employer notifies the commission of the claimant's possible ineligibility or disqualification. If a disqualifying act or discharge occurs during the individual's benefit year, any benefits that may become payable to the individual in a later benefit year based on employment with the employer involved in the disqualification shall be charged to the nonchargeable benefits account.

(4) The maximum amount of benefits otherwise available under section 27(d) to an individual disqualified under subsection (1) is subject to all of the following conditions:

(a) For benefit years established before the conversion date prescribed in section 75, if the individual is disqualified under subsection (1)(c), (d), (e), (f), (g), or (l) and the maximum amount of benefits is based on wages and credit weeks earned from an employer before an act or discharge involving that employer, the amount shall be reduced by an amount equal to the individual's weekly benefit rate as to that employer multiplied by the lesser of either of the following:

1       (i) The number of requalifying weeks required of the  
2 individual under this section.

3       (ii) The number of weeks of benefit entitlement remaining  
4 with that employer.

5       (b) If the individual has insufficient or no potential bene-  
6 fit entitlement remaining with the employer involved in the dis-  
7 qualification in the benefit year in existence on the date of the  
8 disqualifying determination, a reduction of benefits described in  
9 this subsection shall apply in a succeeding benefit year with  
10 respect to any benefit entitlement based upon credit weeks earned  
11 with the employer before the disqualifying act or discharge.

12       (c) For benefit years established before the conversion date  
13 prescribed in section 75, an individual disqualified under sub-  
14 section (1)(h), (i), (j), (k), or (m) is not entitled to benefits  
15 based on wages and credit weeks earned before the disqualifying  
16 act or discharge with the employer involved in the  
17 disqualification.

18       (d) The benefit entitlement of an individual disqualified  
19 under subsection (1)(a) or (b) is not subject to reduction as a  
20 result of that disqualification.

21       (e) A denial or reduction of benefits under this subsection  
22 does not apply to benefits based upon multiemployer credit  
23 weeks.

24       (f) For benefit years established after the conversion date  
25 prescribed in section 75, if the individual is disqualified under  
26 subsection (1)(c), (d), (e), (f), (g), or (l), the maximum number  
27 of weeks otherwise applicable in calculating benefits for the

1 individual under section 27(d) shall be reduced by the lesser of  
2 the following:

3       (i) The number of requalifying weeks required of the indi-  
4 vidual under this subsection.

5       (ii) The number of weeks of benefit entitlement remaining on  
6 the claim.

7       (g) For benefit years beginning after the conversion date  
8 prescribed in section 75, the benefits of an individual disquali-  
9 fied under subsection (1)(h), (i), (j), (k), or (m) shall be  
10 reduced by 13 weeks and any weekly benefit payments made to the  
11 claimant thereafter shall be reduced by the portion of the pay-  
12 ment attributable to base period wages paid by the base period  
13 employer involved in a disqualification under subsection (1)(h),  
14 (i), (j), (k), or (m).

15       (5) If an individual leaves work to accept permanent  
16 full-time work with another employer and performs services for  
17 that employer, or if an individual leaves work to accept a recall  
18 from a former employer:

19       (a) Subsection (1) does not apply.

20       (b) Wages earned with the employer whom the individual last  
21 left, including wages previously transferred under this subsec-  
22 tion to the last employer, for the purpose of computing and  
23 charging benefits, are wages earned from the employer with whom  
24 the individual accepted work or recall, and benefits paid based  
25 upon those wages shall be charged to that employer.

26       (c) When issuing a determination covering the period of  
27 employment with a new or former employer described in this



1 subsection, the commission shall advise the chargeable employer  
2 of the name and address of the other employer, the period covered  
3 by the employment, and the extent of the benefits that may be  
4 charged to the account of the chargeable employer.

5       (6) In determining whether work is suitable for an individu-  
6 al, the commission shall consider the degree of risk involved to  
7 the individual's health, safety, and morals, the individual's  
8 physical fitness and prior training, the individual's length of  
9 unemployment and prospects for securing local work in the  
10 individual's customary occupation, and the distance of the avail-  
11 able work from the individual's residence. Additionally, the  
12 commission shall consider the individual's experience and prior  
13 earnings, ~~subject to the following limitation: (a) An~~ BUT AN  
14 UNEMPLOYED individual ~~unemployed for 1 to 12 weeks~~ who refuses  
15 an offer of work determined to be suitable under this section  
16 shall be denied benefits if the pay rate for that work is at  
17 least ~~80%~~ 70% of the gross pay rate he or she received immedi-  
18 ately before becoming unemployed.

19       ~~(b) An individual unemployed for 13 to 20 weeks who refuses~~  
20 ~~an offer of work determined to be suitable under this section~~  
21 ~~shall be denied benefits if the pay rate for that work is at~~  
22 ~~least 75% of the gross pay rate he or she received immediately~~  
23 ~~before becoming unemployed.~~

24       ~~(c) An individual unemployed for more than 20 weeks who~~  
25 ~~refuses an offer of work determined to be suitable under this~~  
26 ~~section shall be denied benefits if the pay rate for that work is~~

~~1 at least 70% of the gross pay rate he or she received immediately~~  
~~2 before becoming unemployed.~~

3 (7) Work is not suitable and benefits shall not be denied  
4 under this act to an otherwise eligible individual for refusing  
5 to accept new work under any of the following conditions:

6 (a) If the position offered is vacant due directly to a  
7 strike, lockout, or other labor dispute.

8 (b) If the remuneration, hours, or other conditions of the  
9 work offered are substantially less favorable to the individual  
10 than those prevailing for similar work in the locality.

11 (c) If as a condition of being employed, the individual  
12 would be required to join a company union or to resign from or  
13 refrain from joining a bona fide labor organization.

14 (8) All of the following apply to an individual who seeks  
15 benefits under this act:

16 (a) An individual is disqualified from receiving benefits  
17 for a week in which the individual's total or partial unemploy-  
18 ment is due to either of the following:

19 (i) A labor dispute in active progress at the place at which  
20 the individual is or was last employed, or a shutdown or start-up  
21 operation caused by that labor dispute.

22 (ii) A labor dispute, other than a lockout, in active  
23 progress or a shutdown or start-up operation caused by that labor  
24 dispute in any other establishment within the United States that  
25 is both functionally integrated with the establishment described  
26 in subparagraph (i) and operated by the same employing unit.

1 (b) An individual's disqualification imposed or imposable  
2 under this subsection is terminated if the individual performs  
3 services in employment with an employer in at least 2 consecutive  
4 weeks falling wholly within the period of the individual's total  
5 or partial unemployment due to the labor dispute, and in addition  
6 earns wages in each of those weeks in an amount equal to or  
7 greater than the individual's actual or potential weekly benefit  
8 rate with respect to those weeks based on the individual's  
9 employment with the employer involved in the labor dispute.

10 (c) An individual is not disqualified under this subsection  
11 if the individual is not directly involved in the labor dispute.  
12 An individual is not directly involved in a labor dispute unless  
13 any of the following are established:

14 (i) At the time or in the course of a labor dispute in the  
15 establishment in which the individual was then employed, the  
16 individual in concert with 1 or more other employees voluntarily  
17 stopped working other than at the direction of the individual's  
18 employing unit.

19 (ii) The individual is participating in, financing, or  
20 directly interested in the labor dispute that causes the  
21 individual's total or partial unemployment. The payment of regu-  
22 lar union dues, in amounts and for purposes established before  
23 the inception of the labor dispute, is not financing a labor dis-  
24 pute within the meaning of this subparagraph.

25 (iii) At any time a labor dispute in the establishment or  
26 department in which the individual was employed does not exist,  
27 and the individual voluntarily stops working, other than at the

1 direction of the individual's employing unit, in sympathy with  
2 employees in some other establishment or department in which a  
3 labor dispute is in progress.

4 (iv) The individual's total or partial unemployment is due  
5 to a labor dispute that was or is in progress in a department,  
6 unit, or group of workers in the same establishment.

7 (d) As used in this subsection, "directly interested" shall  
8 be construed and applied so as not to disqualify individuals  
9 unemployed as a result of a labor dispute the resolution of which  
10 may not reasonably be expected to affect their wages, hours, or  
11 other conditions of employment, and to disqualify individuals  
12 whose wages, hours, or conditions of employment may reasonably be  
13 expected to be affected by the resolution of the labor dispute.  
14 A "reasonable expectation" of an effect on an individual's wages,  
15 hours, or other conditions of employment exists, in the absence  
16 of a substantial preponderance of evidence to the contrary, in  
17 any of the following situations:

18 (i) If it is established that there is in the particular  
19 establishment or employing unit a practice, custom, or contrac-  
20 tual obligation to extend within a reasonable period to members  
21 of the individual's grade or class of workers in the establish-  
22 ment in which the individual is or was last employed changes in  
23 terms and conditions of employment that are substantially similar  
24 or related to some or all of the changes in terms and conditions  
25 of employment that are made for the workers among whom there  
26 exists the labor dispute that has caused the individual's total  
27 or partial unemployment.

1       (ii) If it is established that 1 of the issues in or  
2 purposes of the labor dispute is to obtain a change in the terms  
3 and conditions of employment for members of the individual's  
4 grade or class of workers in the establishment in which the indi-  
5 vidual is or was last employed.

6       (iii) If a collective bargaining agreement covers both the  
7 individual's grade or class of workers in the establishment in  
8 which the individual is or was last employed and the workers in  
9 another establishment of the same employing unit who are actively  
10 participating in the labor dispute, and that collective bargain-  
11 ing agreement is subject by its terms to modification, supplemen-  
12 tation, or replacement, or has expired or been opened by mutual  
13 consent at the time of the labor dispute.

14       (e) In determining the scope of the grade or class of work-  
15 ers, evidence of the following is relevant:

16       (i) Representation of the workers by the same national or  
17 international organization or by local affiliates of that  
18 national or international organization.

19       (ii) Whether the workers are included in a single, legally  
20 designated, or negotiated bargaining unit.

21       (iii) Whether the workers are or within the past 6 months  
22 have been covered by a common master collective bargaining agree-  
23 ment that sets forth all or any part of the terms and conditions  
24 of the workers' employment, or by separate agreements that are or  
25 have been bargained as a part of the same negotiations.

26       (iv) Any functional integration of the work performed by  
27 those workers.

1       (v) Whether the resolution of those issues involved in the  
2 labor dispute as to some of the workers could directly or indi-  
3 rectly affect the advancement, negotiation, or settlement of the  
4 same or similar issues in respect to the remaining workers.

5       (vi) Whether the workers are currently or have been covered  
6 by the same or similar demands by their recognized or certified  
7 bargaining agent or agents for changes in their wages, hours, or  
8 other conditions of employment.

9       (vii) Whether issues on the same subject matter as those  
10 involved in the labor dispute have been the subject of proposals  
11 or demands made upon the employing unit that would by their terms  
12 have applied to those workers.

13       (9) Except for an individual disqualified under subsection  
14 (1)(g), or an individual whose disqualifying discharge under  
15 subsection (1)(b) is determined or redetermined to be a disci-  
16 plinary layoff or suspension, an individual is disqualified from  
17 receiving benefits for the duration of the individual's disci-  
18 plinary layoff or suspension if the individual becomes unemployed  
19 because of a disciplinary layoff or suspension based upon any of  
20 the following:

21       (a) Misconduct directly or indirectly connected with work.

22       (b) Participation in a strike or other concerted activity  
23 resulting in a curtailment of work or restriction of or interfer-  
24 ence with production contrary to an applicable collective bar-  
25 gaining agreement.

1 (c) Participation in a wildcat strike or other concerted  
 2 activity not authorized by the individual's recognized bargaining  
 3 representative.

4 (10) If a disqualifying discharge under subsection (1)(b) is  
 5 determined or redetermined to be a suspension, the disqualifica-  
 6 tion provided under subsection (9) applies from the date of the  
 7 discharge.

8 (11) Notwithstanding subsections (1) to (10), if the employ-  
 9 ing unit submits notice to the commission of possible ineligibil-  
 10 ity or disqualification beyond the time limits prescribed by com-  
 11 mission rule, the notice shall not form the basis of a determina-  
 12 tion of ineligibility or disqualification for a claim period com-  
 13 pensated before the receipt of the notice by the commission.

14 (12) An individual is disqualified from receiving benefits  
 15 for any week or part of a week in which the individual has  
 16 received, is receiving, or is seeking unemployment benefits under  
 17 an unemployment compensation law of another state or of the  
 18 United States. If the appropriate agency of the other state or  
 19 of the United States finally determines that the individual is  
 20 not entitled to unemployment benefits, the disqualification  
 21 described in this subsection does not apply.

22 Sec. 48. (1) An individual shall be ~~deemed "unemployed"~~  
 23 ~~with respect to~~ CONSIDERED UNEMPLOYED FOR any week during which  
 24 he or she performs no services and ~~with respect to~~ FOR which  
 25 remuneration is not payable to the individual, or ~~with respect~~  
 26 ~~to~~ FOR any week of less than full-time work if the remuneration  
 27 payable to the individual is less than his or her weekly benefit

1 rate. However, any loss of remuneration incurred by an  
2 individual during any week resulting from any cause other than  
3 the failure of the individual's employing unit to furnish  
4 full-time, regular employment shall be included as remuneration  
5 earned for purposes of this section and ~~of~~ section 27(c). The  
6 total amount of remuneration ~~thus~~ lost shall be determined ~~in~~  
7 ~~such manner as~~ PURSUANT TO REGULATIONS PRESCRIBED BY the  
8 commission. ~~shall by regulation prescribe.~~ For the purposes of  
9 this act, an individual's weekly benefit rate ~~shall mean~~ MEANS  
10 the weekly benefit rate ~~as~~ determined pursuant to section  
11 27(b).

12 (2) All amounts paid to a claimant by an employing unit or  
13 former employing unit for a vacation or a holiday, and amounts  
14 paid in the form of retroactive pay, ~~or~~ PAY in lieu of notice,  
15 SEVERANCE PAYMENTS, SALARY CONTINUATION, OR OTHER REMUNERATION  
16 INTENDED BY THE EMPLOYING UNIT AS CONTINUING WAGES AS THE RESULT  
17 OF THE SEPARATION shall be ~~deemed~~ CONSIDERED remuneration in  
18 determining whether an individual is unemployed under this sec-  
19 tion and also in determining his or her benefit payments under  
20 section 27 (c), for the period designated by the contract or  
21 agreement providing for the payment, or if there is no contrac-  
22 tual specification of the period to which ~~such~~ payments shall  
23 be allocated, then for the period designated by the employing  
24 unit or former employing unit. However, payments for a vacation  
25 or holiday, ~~made,~~ or the right to which has irrevocably vested,  
26 after 14 days following ~~such~~ A vacation or holiday ~~, and~~  
27 ~~payments in the form of termination, separation, severance or~~



1 ~~dismissal allowances, and bonuses,~~ shall not be ~~deemed~~  
2 CONSIDERED wages or remuneration within the meaning of this  
3 section.

4 (3) An individual shall not be ~~deemed~~ CONSIDERED to be  
5 unemployed during any leave of absence from work granted by an  
6 employer either at the request of the individual or pursuant to  
7 an agreement with the individual's duly authorized bargaining  
8 agent, or in accordance with law. An individual shall neither be  
9 considered not unemployed nor on a leave of absence solely  
10 because the individual elects to be laid off, pursuant to an  
11 option provided under a collective bargaining agreement or writ-  
12 ten employer plan ~~which~~ THAT permits ~~such~~ AN election, ~~when~~  
13 IF there is a temporary layoff because of lack of work ~~,~~ and  
14 the employer has consented ~~thereto~~ TO THE ELECTION.