

Legislative Analysis



UNEMPLOYMENT ACT: WAIVER OF PRIVILEGE

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5055

Sponsor: Rep. Holly Hughes

Committee: Judiciary

Complete to 4-18-12

(Enacted as Public Act 422 of 2012)

A SUMMARY OF HOUSE BILL 5055 AS INTRODUCED 10-11-11

House Bill 5055 would add a new section to the Michigan Employment Security Act (MCL 421.11a). Under the bill, a person who voluntarily testified before a body other than the unemployment agency would waive the right to certain privileges regarding a statement or report made to the unemployment agency.

Under Section 11 of the Michigan Employment Security Act, with specific exceptions, information obtained from any employing unit or individual related to the administration of the act, and determinations as to the benefit rights of any individual, are confidential and may not be disclosed or open to public inspection other than to public employees in the performance of their official duties under the act (for example, determinations regarding child support, food stamps, or Medicaid eligibility).

In addition, any report or statement, written or verbal, made by any person to the Bureau of Worker's and Unemployment Compensation (also known as the unemployment agency or the commission) is a privileged communication. Because the communication is privileged, a person, firm, or corporation cannot be held liable for slander or libel on account of a report or statement. The reports in the custody of the unemployment agency must be available for examination by the employer or employee affected.

Under House Bill 5055, an individual who testified voluntarily before another body (the term is undefined) about representations made to the unemployment agency would waive any privilege under Section 11 (described above) that otherwise applied to those representations to the unemployment agency.

[Presumably, the "privileges" that would be waived by offering such voluntary testimony would be the *privilege* for any report or statement made to the unemployment agency to be a privileged communication and also the *privilege* not to be held liable for slander or libel on account of that statement or report.]

FISCAL IMPACT:

House Bill 5055 will not have a fiscal impact on the Unemployment Insurance Agency since it pertains only to the disclosure of confidential information under the Michigan Employment Security Act.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Paul Holland

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.