



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 1267 (as introduced)
Sponsor: Senator Bruce Caswell
Committee: Reforms, Restructuring and Reinvention

Date Completed: 9-18-12

CONTENT

The bill would amend the Michigan Employment Security Act to remove the sunset for approval of shared-work plans.

The Act prohibits employers from applying for and the Michigan Unemployment Insurance Agency from approving shared work plans that begin more than five years after the effective date of the public act that created shared-work programs. The bill would strike that language, effectively allowing the application for and approval of shared work plans into perpetuity.

In addition, applications for a shared-work program are currently required to contain a certification from the employer that the plan would be implemented in lieu of temporary layoffs affecting at least 15% of the employees in the affected unit. The bill would strike the word "temporary", allowing the approval of plans that would avoid any type of layoffs affecting the same percentage of employees.

MCL 421.28c

FISCAL IMPACT

To the extent that shared-work plans prove to save on unemployment insurance (UI) costs, eliminating the sunset for approval of shared-work plans would reduce some indeterminate amount of UI benefit payment costs in the future. These costs are funded through specific State and Federal taxes levied on employers, so generally any decrease in UI spending would not affect State or local finances.

Fiscal Analyst: Josh Sefton

S1112\s1267sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.