

SENATE BILL No. 1198

July 18, 2012, Introduced by Senators GREGORY, BIEDA, HOPGOOD, ANDERSON, HOOD, HUNTER, SMITH, WARREN, YOUNG, WHITMER and GLEASON and referred to the Committee on Reforms, Restructuring and Reinventing.

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," (MCL 421.1 to 421.75) by adding section 27d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 27D. (1) AS USED IN THIS SECTION:**

2 **(A) "SELF-EMPLOYMENT ASSISTANCE ACTIVITIES" MEANS ACTIVITIES**
3 **THAT ARE APPROVED BY THE UNEMPLOYMENT AGENCY, INCLUDING**
4 **ENTREPRENEURIAL TRAINING, BUSINESS COUNSELING, AND TECHNICAL**
5 **ASSISTANCE, IN WHICH AN INDIVIDUAL IDENTIFIED THROUGH A WORKER**
6 **PROFILING SYSTEM AS LIKELY TO EXHAUST REGULAR UNEMPLOYMENT**
7 **COMPENSATION PARTICIPATES FOR THE PURPOSE OF ESTABLISHING A**
8 **BUSINESS AND BECOMING SELF-EMPLOYED.**

9 **(B) "SELF-EMPLOYMENT ASSISTANCE ALLOWANCE" MEANS AN ALLOWANCE,**
10 **PAYABLE IN LIEU OF REGULAR UNEMPLOYMENT COMPENSATION AND FROM THE**
11 **UNEMPLOYMENT COMPENSATION FUND ESTABLISHED UNDER SECTION 26 TO AN**

1 INDIVIDUAL PARTICIPATING IN SELF-EMPLOYMENT ASSISTANCE ACTIVITIES
2 WHO MEETS THE REQUIREMENTS OF THIS SECTION.

3 (C) "REGULAR UNEMPLOYMENT COMPENSATION" MEANS BENEFITS PAYABLE
4 TO AN INDIVIDUAL UNDER THIS ACT, INCLUDING BENEFITS PAYABLE TO
5 FEDERAL CIVILIAN EMPLOYEES AND TO EX-SERVICEMEMBERS PURSUANT TO 5
6 USC 8501 TO 8525, OTHER THAN ADDITIONAL AND EXTENDED BENEFITS.

7 (D) "FULL-TIME BASIS" MEANS THE HOURS OF EMPLOYMENT
8 ESTABLISHED FOR FULL-TIME EMPLOYMENT IN REGULATIONS PROMULGATED BY
9 THE UNEMPLOYMENT AGENCY PURSUANT TO THE ADMINISTRATIVE PROCEDURES
10 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

11 (2) THE WEEKLY SELF-EMPLOYMENT ASSISTANCE ALLOWANCE PAYABLE
12 UNDER THIS SECTION IS EQUAL TO THE WEEKLY BENEFIT AMOUNT FOR
13 REGULAR UNEMPLOYMENT COMPENSATION OTHERWISE PAYABLE UNDER SECTION
14 27. THE TOTAL OF THE ALLOWANCE PAID UNDER THIS SECTION PLUS THE
15 REGULAR UNEMPLOYMENT COMPENSATION PAID UNDER THIS ACT WITH RESPECT
16 TO ANY BENEFIT YEAR SHALL NOT EXCEED THE MAXIMUM BENEFIT AMOUNT AS
17 ESTABLISHED UNDER SECTION 27 WITH RESPECT TO THAT BENEFIT YEAR.

18 (3) THE SELF-EMPLOYMENT ASSISTANCE ALLOWANCE IS PAYABLE AT THE
19 SAME INTERVAL, ON THE SAME TERMS, AND SUBJECT TO THE SAME
20 CONDITIONS AS REGULAR UNEMPLOYMENT COMPENSATION UNDER THIS ACT,
21 EXCEPT FOR ALL OF THE FOLLOWING:

22 (A) THE REQUIREMENTS OF SECTION 28(1)(C) RELATING TO
23 AVAILABILITY FOR WORK, SECTION 28(1)(A) RELATING TO ACTIVE SEARCH
24 FOR WORK, AND SECTION 29(1)(E) RELATING TO REFUSAL TO ACCEPT WORK
25 ARE NOT APPLICABLE TO THE INDIVIDUAL.

26 (B) THE REQUIREMENTS OF SECTION 27(C)(2) RELATING TO SELF-
27 EMPLOYMENT INCOME DO NOT APPLY TO INCOME EARNED FROM SELF-

1 EMPLOYMENT BY THE INDIVIDUAL.

2 (C) AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION
3 IS CONSIDERED TO BE UNEMPLOYED UNDER SECTION 48.

4 (D) AN INDIVIDUAL WHO FAILS TO PARTICIPATE IN SELF-EMPLOYMENT
5 ASSISTANCE ACTIVITIES OR WHO FAILS TO ACTIVELY ENGAGE ON A FULL-
6 TIME BASIS IN ACTIVITIES, INCLUDING TRAINING, RELATING TO THE
7 ESTABLISHMENT OF A BUSINESS AND BECOMING SELF-EMPLOYED IS
8 DISQUALIFIED FOR THE WEEK THE FAILURE OCCURS.

9 (4) THE AGGREGATE NUMBER OF INDIVIDUALS RECEIVING THE
10 ALLOWANCE UNDER THIS SECTION AT ANY TIME SHALL NOT EXCEED 5% OF THE
11 NUMBER OF INDIVIDUALS RECEIVING REGULAR UNEMPLOYMENT COMPENSATION.
12 THE UNEMPLOYMENT AGENCY SHALL PRESCRIBE GUIDELINES FOR ACTIONS THAT
13 ARE NECESSARY TO ASSURE THE REQUIREMENTS OF THIS SUBSECTION ARE
14 MET.

15 (5) ALLOWANCES PAID UNDER THIS SECTION SHALL BE CHARGED TO
16 EMPLOYERS AS PROVIDED UNDER THIS ACT FOR CHARGING REGULAR
17 UNEMPLOYMENT COMPENSATION.

18 (6) THE SELF-EMPLOYMENT ASSISTANCE PROGRAM SHALL NOT RESULT IN
19 ANY COST TO THE UNEMPLOYMENT TRUST FUND IN EXCESS OF THE COST THAT
20 WOULD BE INCURRED BY THIS STATE AND CHARGED TO THE FUND IF THE
21 PROGRAM HAD NOT BEEN OPERATED.

22 (7) SELF-EMPLOYMENT ASSISTANCE ALLOWANCES PAID UNDER THIS
23 SECTION SHALL BE PAID IN ACCORDANCE WITH ANY ADDITIONAL PROGRAM
24 REQUIREMENTS ESTABLISHED BY THE SECRETARY OF LABOR PURSUANT TO 26
25 USC 3306(T).

26 (8) THIS SECTION APPLIES TO BENEFIT WEEKS BEGINNING AFTER
27 JANUARY 5, 2013.

1 Enacting section 1. This amendatory act does not take effect
2 unless Senate Bill No. 1199
3 of the 96th Legislature is enacted into law.