



Senate Fiscal Agency
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Senate Bill 791 (as introduced 12-14-21)
Sponsor: Senator Kenneth Horn
Committee: Economic and Small Business Development

Date Completed: 1-27-22

CONTENT

The bill would amend the Michigan Employment Security Act to do the following:

- Allow the Unemployment Insurance Agency (UIA) to extend a waiver for unemployment eligibility requirements beyond 45 calendar days for an individual who was laid off if, before the end of the specified period of the waiver or extension, the employer notified the UIA that the layoff was an extended layoff as a result of a parts shortage, the extension did not exceed more than 45 calendar days, and the end of the specified period of the extension was not a date after December 31, 2022.**
- Apply retroactively the extension of the waiver as described above, beginning May 31, 2021.**

Under the Act, an unemployed individual is eligible to receive benefits with respect to any week only if the UIA finds that the individual meets certain requirements. Among other requirements, the UIA must find that the individual has registered for work, has continued to report in accordance with UIA rules, and is actively engaged in seeking work. The Act allows the UIA to waive the requirements if the employer lays off the individual and notifies the UIA that the layoff is temporary and that the employer expects work to be available for the individual within a declared number of days, not to exceed 45 calendar days.

The Act allows a waiver to extend beyond 45 calendar days, up to an additional 90 calendar days, following the last day the individual worked, if, before the end of the specified waiver period, the employer notifies the UIA that the layoff is an extended layoff as a result of a parts shortage. Under the bill, this would apply until the bill's effective date. Instead, a waiver for an extended layoff as a result of a parts shortage could extend beyond 45 calendar days, following the last day the individual worked, as described below.

The bill would allow the UIA to extend the waiver, including a waiver that has been extended beyond 45 calendar days if, before the end of the specified period of the waiver or extension, the employer notified the UIA that the layoff was an extended layoff as a result of a parts shortage, the extension did not exceed more than 45 calendar days, and the end of the specified period of the extension was not a date after December 31, 2022.

In addition, the bill specifies that if an individual were laid off because of an extended layoff as a result of a parts shortage that existed on May 31, 2021, the UIA could waive the requirements that the individual report for work, be available to perform suitable full-time work, and seek work if, before May 31, 2021, the individual's employer notified the UIA that

the individual was laid off because of an extended layoff as a result of a part shortage. The specified period of a waiver granted as described above would begin on May 31, 2021.

MCL 421.28

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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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.