

HOUSE BILL NO. 4773

May 04, 2021, Introduced by Reps. Cavanagh, Aiyash, Young, Scott, Thanedar, Brenda Carter and Yancey and referred to the Committee on Workforce, Trades, and Talent.

A bill to amend 1936 (Ex Sess) PA 1, entitled
"Michigan employment security act,"
by amending sections 28c and 28d (MCL 421.28c and 421.28d), as
amended by 2020 PA 258.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 28c. (1) An employer that meets all of the following
- 2 requirements may apply to the unemployment agency for approval of a
- 3 shared-work plan:
- 4 (a) The employer has filed all quarterly reports and other

1 reports required under this act and has paid all obligation
2 assessments, contributions, reimbursements in lieu of
3 contributions, interest, and penalties due through the date of the
4 employer's application.

5 (b) If the employer is a contributing employer, the employer's
6 reserve in the employer's experience account as of the most recent
7 computation date preceding the date of the employer's application
8 is a positive number.

9 (c) The employer has paid wages for the 12 consecutive
10 calendar quarters preceding the date of the employer's application.

11 (2) An application under this section shall be made in the
12 manner prescribed by the unemployment agency and contain all of the
13 following:

14 (a) The employer's assurance that it will provide reports to
15 the unemployment agency relating to the operation of its shared-
16 work plan at the times and in the manner prescribed by the
17 unemployment agency and containing all information required by the
18 unemployment agency.

19 (b) The employer's assurance that it will not hire new
20 employees in, or transfer employees to, the affected unit during
21 the effective period of the shared-work plan.

22 (c) The employer's assurance that it will not lay off
23 participating employees during the effective period of the shared-
24 work plan, or reduce participating employees' hours of work by more
25 than the reduction percentage during the effective period of the
26 shared-work plan, except in cases of holidays, designated vacation
27 periods, equipment maintenance, or similar circumstances.

28 (d) The employer's certification that it has obtained the
29 approval of any applicable collective bargaining unit

1 representative and has notified all affected employees who are not
2 in a collective bargaining unit of the proposed shared-work plan.

3 (e) A list of the week or weeks within the requested effective
4 period of the plan during which participating employees are
5 anticipated to work fewer hours than the number of hours determined
6 under section 28d(1)(e) due to circumstances listed in subdivision
7 (c).

8 (f) The employer's certification that the implementation of a
9 shared-work plan is in lieu of layoffs that would affect at least
10 ~~15% or, until March 31, 2021, 10%~~ of the employees in the
11 affected unit and would result in an equivalent reduction in work
12 hours.

13 (g) The employer's assurance that it will abide by all terms
14 and conditions of sections 28b to 28m.

15 (h) The employer's certification that, to the best of ~~his or~~
16 ~~her~~ **the employer's** knowledge, participation in the shared-work plan
17 is consistent with the employer's obligations under federal law and
18 the law of this state.

19 (i) Any other relevant information required by the
20 unemployment agency.

21 (3) An employer may apply to the unemployment agency for
22 approval of more than 1 shared-work plan.

23 ~~(4) Notwithstanding any other provision of this act, until~~
24 ~~March 31, 2021, the~~ **If the unemployment rate for this state, as**
25 **determined by the Bureau of Labor Statistics of the United States**
26 **Department of Labor, is 8% or more for the immediately preceding 2**
27 **months, the** unemployment agency may approve a shared-work plan
28 submitted by an employer even if the employer does not meet the
29 requirements of subsection (1) or (2)(b).

1 Sec. 28d. (1) The unemployment agency shall approve a shared-
2 work plan only if the plan meets all of the following requirements:

3 (a) The shared-work plan applies to 1 affected unit.

4 (b) All employees in the affected unit are participating
5 employees, except that ~~, until March 31, 2021,~~ an employee whose
6 hours of work per week determined under subdivision (e) are 40 or
7 more hours must not be a participating employee.

8 (c) There are no fewer than 2 participating employees,
9 determined without regard to corporate officers.

10 (d) The participating employees are identified by name and
11 Social Security number.

12 (e) The number of hours a participating employee will work
13 each week during the effective period of the shared-work plan is
14 the number of the employee's normal weekly hours of work reduced by
15 the reduction percentage.

16 (f) The plan includes an estimate of the number of employees
17 who would have been laid off if the plan were not implemented.

18 (g) The plan indicates the manner in which the employer will
19 give advance notice, if feasible, to an employee whose hours of
20 work per week under the plan will be reduced.

21 (h) As a result of a decrease in the number of hours worked by
22 each participating employee, there is a corresponding reduction in
23 wages.

24 (i) The shared-work plan does not affect the fringe benefits
25 of any participating employee.

26 (j) The specified effective period of the shared-work plan is
27 52 consecutive weeks or less and the benefits payable under the
28 shared-work plan will not exceed 20 times the weekly benefit amount
29 for each participating employee, calculated without regard to any

1 existing benefit year.

2 (k) The reduction percentage satisfies the requirements of
3 subsection (2).

4 (2) The reduction percentage under an approved shared-work
5 plan shall meet all of the following requirements:

6 (a) The reduction percentage shall be no less than ~~15% and no~~
7 ~~more than 45% or, until March 31, 2021, no less than 10%~~ and no
8 more than 60%.

9 (b) The reduction percentage shall be the same for all
10 participating employees.

11 (c) The reduction percentage shall not change during the
12 period of the shared-work plan unless the plan is modified in
13 accordance with section 28i.