

# House Research Act Summary

**CHAPTER:** 84

**SESSION:** 2011 Regular Session

**TOPIC:** Unemployment Insurance and Workforce Development

**Date:** June 3, 2011

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## Section

### Article 1 Overview

Unemployment insurance "policy" changes.

- 1 Immediate family member.** Expands the definition of immediate family members to include grandparents.
- 2 State's average annual and average weekly wage.** Refines statutory reference to weekly benefit amounts and wage credits necessary to establish a benefit account.
- 3 Suitable employment.** Reduces the current law requirement that less than 45 percent of an applicant's wage credits be from a temporary staffing services client to a level of less than 25 percent in order for a new temporary assignment to be not considered as suitable employment.
- 4 Weekly unemployment benefit amount.** Corrects a statutory reference.
- 5 Special assessment for interest on federal loan.** Removes the two percent minimum level for the assessment imposed for interest payments on federal UI loans.
- 6 Benefit account requirements.** Changes the qualifying amount to establish a UI benefit account to a total that equals the higher of \$2,400 or at least 5.3 percent of the state average annual wage in an applicant's four-quarter base period. Under current law, an applicant

using the primary base period to qualify must have at least \$1,000 in wage credits in the high quarter and wage credits of at least \$250 in a quarter other than the high quarter; if an applicant uses the secondary base period they must have at least \$1,000 in the high quarter in order to qualify. Strikes the requirement that an applicant establishing a new benefit account within 52 weeks of the expiration of the benefit year on a prior account must have wage credits of at least eight times their previous UI benefit amount in order to qualify for a new account. The new requirement is tied to the new qualifying amounts for initial accounts above.

- 7      **Limitations on applications and benefit accounts.** Aligns with a change made in section 9 regarding subsequent earnings in employment after an applicant has been found to be ineligible for benefits.
- 8      **Payments that delay benefits.** Provides consistency in the way vacation pay, sick pay, and pay for personal time off are treated in delaying the payment of UI benefits.
- 9      **Ineligibility duration.** Removes the requirement that an applicant subsequently earn eight times their weekly UI benefit amount before requalifying after an ineligibility determination. The new requirement would be wages paid of at least one-half the new qualifying requirement in section 7.
- 10     **Entrepreneurship for dislocated workers.** Allows the commissioner to waive the 32 hours per week work limitation in order to pay unemployment benefits to persons participating in the federal GATE program.

## Article 2

### Overview

Unemployment insurance "housekeeping" changes.

- 1      **Base period.** Changes "last" to "most recent."
- 2      **Noncovered employment.** Clarifies the provision regarding the 25 percent ownership limitation on corporate officers to specify that the officer, directly or indirectly, including through a subsidiary or holding company, cannot own 25 percent or more of the entity. Also clarifies the provision related to student workers and employees of schools, colleges or universities who also take courses.
- 3      **Wages.** Changes the language regarding payments paid by an employer that supplement UI benefits by requiring the employer's plan provide for supplemental payments only for weeks that the applicant has been paid regular, extended, or additional benefits. Under current law, the benefits may be paid if an applicant has applied for all regular, extended, or additional UI benefits. Specifies that the employer's plan cannot provide for any type of additional payment.
- 4      **Tax rate for new employers.** Changes "notice" to "determination."
- 5      **Determination of tax rate.** Changes "notice" to "determination."
- 6      **Priority of payments.** Changes "workforce development fee" to "workforce development

assessment."

- 7     **Definitions.** Changes "last" to "most recent."
- 8     **Administrative penalties.** Changes "assessment" and "notice" to "determination."
- 9     **Notification and misreporting penalties.** Changes "assessment" and "notice" to "determination."

## Article 3

### Overview

Workforce development changes.

- 1     **Definitions.** Sunsets on August 1, 2012, the provision categorizing as dislocated workers any persons permanently separated from employment as a result of the state smoking ban. Categorizes persons covered under federal Trade Adjustment Assistance (TAA) as dislocated workers.
- 2     **Reports.** Modifies the Minnesota Youth Program reporting requirement for contractors by removing the quarterly reporting component. A report is still required, but would be on an annual or other basis as specified by the commissioner.