HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 157 **DATE:** January 17, 2001
Version: As introduced

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Subject: LTV Steel; unemployment benefits

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Overview

This bill provides up to two years of unemployment benefits to workers laid off as a result of the LTV plant closing in Hoyt Lakes. It contains not only an extension of the total benefits that can be received, but also removes some conditions that would otherwise limit eligibility and benefit amounts.

Section

1 **LTV Mining extra benefits; power plant.**

Subd. 1. Extra benefits; availability. This subdivision explains who is eligible to receive extra unemployment benefits under the bill. There are two kinds of employees who are eligible. First, those who are laid off from LTV Steel itself, and second, Arrowhead region residents who are laid off from an LTV supplier as a result of the loss of LTV business.

Subd. 2. Payment from fund; effect on employer. Explains that the extra benefits granted by the bill will not cause any increase in the tax rates of employers or be required to be reimbursed by affected government or nonprofit employers. The effect of this is that the benefits become "socialized costs," meaning that the costs of paying them is spread over all taxpaying employers, rather than being recovered from any individual employer.

Subd. 3. Eligibility conditions. Sets out the requirements for any individual to be eligible. The requirements are essentially that more than half of the applicant's wage credits be from LTV or the LTV vendor and that the applicant meet other requirements for unemployment benefits.

Subd. 4. Weekly amount of extra unemployment benefits. Provides that the weekly benefit amount is the same as the applicant's regular weekly benefit amount. Further provides that if a person exhausts the regular benefits to which they would be entitled and then requalifies for benefits (by getting another job and then being laid off again), their new account will provide at least the amount that they would have received as extra benefits had they not gotten work in between. For instance, if an employee received twenty-six weeks of regular benefits and six weeks of extra benefits and then found work, and was later laid off, the benefit amount after that second layoff will be at least as high as the earlier weekly amount, irrespective of the wages earned in the second job.

Subd. 5. Maximum amount of extra unemployment benefits. Provides that the maximum amount of extra benefits is 104 times the weekly amount, minus the amount of regular benefits received. The effect of this is basically to provide for two years of benefits, based on the combination of regular and extra benefits. It may be helpful to keep in mind that the limitations on the total benefits a person can receive are, by statute, based on a limit on the total dollar amount, not the total number of weeks. This total amount is based on how much the applicant worked during the base period. Not everyone is originally able to collect 26 weeks of regular benefits.

Subd. 6. Workers' compensation offset. In most cases, a person with a pending workers' compensation claim is not eligible for unemployment benefits. This subdivision exempts those receiving extra benefits from this requirement, although if workers' compensation benefits are actually received for that week, the amount received would be subtracted from the unemployment benefits the individual could collect that week.

Subd. 7. Quit to return to Arrowhead region. Generally, quitting employment causes a worker to be disqualified from receiving unemployment benefits until the worker gets a new job and requalifies (meaning the worker is laid off or terminated, rather than quitting). This subdivision states that if a worker takes a job outside the Arrowhead region and then quits that job to return to the Arrowhead region, the worker is not disqualified.

Subd. 8. Program expiration. Provides that the extra benefit program expires on January 1, 2005.

2 **Effective date.** Provides that the bill is effective the day following final enactment, and is retroactive to August 1, 2000.