

FILE NUMBER: H.F. 3512
Version: As introduced

DATE: April 5, 2016

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Subject: Unemployment Insurance Advisory Council recommendations

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Overview

The proposals in this bill came out of discussions of the Unemployment Insurance Advisory Council in late 2015.

Article 1: Unemployment Insurance Advisory Council Policy

Section

- 1 **Tax rate for new employers [268.051, subd. 5].** Modifies the mechanism for determining experience tax rates for new employers. New employers are assigned the average rate for the industry into which they are assigned. Under the bill, industries are broken down into very specific categories using the North American Industry Classification System. The change should provide a more accurate estimate of what a new employer's experience rating is likely to be. The provision would take effect in 2018.
- 2 **Limitation on applications and benefit accounts [268.07, subd. 3b].** Allows an applicant seven days after applying for benefits to request backdating of benefits. Current law allows backdating to the Sunday of the week before the application for benefits is filed but only if the applicant requests so on the application. Some applicants do not realize backdating is available, and this change would provide for some flexibility.
- 3 **Quit [268.095, subd. 1].** Makes several changes to the subdivision allowing exceptions to denial of benefits for applicants who quit previous employment.
 - ▶ Removes some subjectivity to a provision that allows benefits for those who quit a job for a better job but do not stay at the new job long enough to satisfy the ineligibility period required under section 268.095, subd. 10.

Section

- ▶ Eliminates the causal connection required for the exception to denial of benefits for an applicant who quit a new job within 30 days of starting employment. Under the change an applicant is entitled to the exception if the new employment is “unsuitable.”
- ▶ Restricts the exception for denial of benefits for those who quit a job because a spouse takes a new job. Current law allows the exception whenever a spouse takes a different job. Under the proposed change, an applicant would only be allowed the exception (1) if the spouse is in the military or (2) if the spouse’s employer transferred the spouse to a new location, making it impractical for the applicant to commute.

- 4** **Determination [268.101, subd. 2].** Changes the period in which a determination of ineligibility for benefits due to fraud may be made from four years to 48 months. The change simply brings consistency of time periods used; all other periods for determining eligibility are in months not years.
- 5** **Administrative penalties [268.182, subd. 2].** Conforms to change made in section four above.
- 6** **Effective date.** Provides effective date of July 31, 2016, for Article 1, unless specified otherwise.

Article 2: Unemployment Insurance Advisory Council Housekeeping

- 1** **Covered employment [268.035, subd. 12].** Modifies what constitutes “covered employment” when applying section 268.095. Under current law, because of the definition, any federal or railroad employment cannot be “better work”. Thus, if an applicant quits employment to work for the federal government or a railroad, and the job does not work out, the applicant is denied benefits. This proposal would correct that.
- 2** **Wages [268.035, subd. 29].** Conforms to MN Supreme Court decision that held one aspect of current definition of “wages” preempted by the federal ERISA law. Uses the analogous Wisconsin statute as a model.
- 3** **Not eligible [268.085, subd. 2].** Makes technical change related to timing of ineligibility for fraud.
- 4** **Continued request for unemployment benefits by electronic transmission [268.0865, subd. 3].** Changes deadline for sending electronic request for continued benefits from three weeks to four. Makes technical and stylistic changes.
- 5** **Continued request for unemployment benefits by mail [268.0865, subd. 4].** Changes deadline for sending mail request for continued benefits from three weeks to four. Makes technical and stylistic changes.
- 6** **Quit defined [268.095, subd. 2].** Clarifies that the concept of “constructive voluntary quit” does not apply in the context of unemployment insurance.

Section

- 7 Discharge defined [268.095, subd. 5].** Clarifies that the concept of “constructive discharge” does not apply in the context of unemployment insurance.
- 8 Unemployment benefit overpayments [268.18].** Rewrites the section regarding repayment of benefit overpayments. Does not change substantive law or department practice.
- 9 Effective date.** Provides effective date of Article 2 as July 31, 2016, unless specified otherwise.

Article 3: Unemployment Insurance Advisory Council Technical

- 1 Earnings [268.035, subd. 12e].** Defines “earnings.”
- 2 Noncovered employment [268.035, subd. 20].** Makes stylistic changes, and deletes unnecessary clauses.
- 3 Nonprofit Organization [268.035, subd. 20b].** Defines “nonprofit organization.”
- 4 Suitable employment [268.035, subd. 23a].** Makes stylistic changes, and deletes redundant clause.
- 5 Social Security old age insurance benefits [268.085, subd. 4].** Makes stylistic changes.
- 6 Deductible earnings [268.085, subd. 5].** Deletes unnecessary language.
- 7 Revisor’s instruction.** Provides Revisor’s instruction.
- 8 Effective date.** Provides effective date of Article 3 as July 31, 2016.