

**Subject** Unemployment insurance and COVID-19 frontline worker payments

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### Overview

Article 1 makes changes to the unemployment insurance tax rates for calendar year 2022 and appropriates money to replenish the trust fund and repay outstanding interest on federal trust fund borrowing. Article 2 makes changes to unemployment eligibility for hourly school workers and extends the unemployment appeals deadline.

## Article 1: Unemployment Insurance Trust Fund Replenished and Interest Paid

Modifies the base tax rate, additional assessment, and special assessment for calendar year 2022; provides credits to employers for greater amounts already paid, if any; transfers money to pay federal interest; and appropriates money to replenish the trust fund. This article is effective the day following final enactment.

### Section Article 1: Unemployment Insurance Trust Fund Replenished and Interest Paid

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#### 1 Unemployment base tax rate, additional assessment, and special assessment for calendar year 2022.

**Subd. 1. Base tax rate.** Freezes the base tax rate at 0.4% for calendar year 2022. The base tax rate would otherwise increase to 0.5% for calendar year 2022 under current law.

**Subd. 2. Additional assessment.** Sets the additional assessment at 0% for calendar year 2022. The additional assessment would otherwise be 14% for calendar year 2022 under current law.

**Subd. 3. Special assessment.** Sets the special assessment at 0% for calendar year 2022. The special assessment would otherwise be 1.8% for calendar year 2022.

**Subd. 4. Employer credits.** Provides credits to taxpaying employers for tax amounts they have already paid for calendar year 2022 that were higher than the rates set in subdivisions 1 to 3.

**Section Article 1: Unemployment Insurance Trust Fund Replenished and Interest Paid**

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**Subd. 5. Interest payments.** (a) Requires that interest payments on any loan from the federal unemployment trust fund in calendar year 2022 be paid from the amount transferred from the general fund in section 2. Under current law, the interest would otherwise be paid through imposing a special assessment on taxpaying employers under Minnesota Statutes, section 268.051, subdivision 8, which would be set at 0% under this bill.

(b) Requires a report to the chairs with jurisdiction over unemployment insurance within 10 days of enactment, determining the amount of accrued interest due on any loan from the federal unemployment trust fund.

**2 Appropriation.**

(a) Appropriates \$1,150,000,000 in fiscal year 2022 from the state fiscal recovery fund to replenish the unemployment insurance trust fund.

(b) If the unemployment trust fund balance remains negative after the appropriation in paragraph (a), the amount necessary to bring the unemployment trust fund balance to \$0 must be transferred from the general fund.

(c) Transfers general fund money to the special account under Minnesota Statutes, section 268.051, subdivision 8, paragraph (b), to pay outstanding interest on loans from the federal unemployment trust fund based on amount reported under section 1, subdivision 5, paragraph (b).

## **Article 2: Unemployment Policy**

Modifies unemployment eligibility for hourly school workers and extends the unemployment appeal deadline.

**Section Article 2: Unemployment Policy**

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**1, 3 Unemployment benefits for hourly school workers; repealer.**

Expands unemployment benefits to eligible contracted school workers, including bus drivers and hourly employees, between school terms. Applies to school workers performing functions that do not require licenses from the Professional Educator Licensing and Standards Board (PELSB) or the Board of School Administrators (BOSA), including elementary, secondary, and higher education workers. Does not apply to professional licensed school staff such as teachers, principals, administrators, curriculum specialists, school nurses, librarians, or other school employees licensed by PELSB or BOSA. Repeals existing law limiting eligibility for this group.

**Section Article 2: Unemployment Policy**

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**2 Unemployment appeals timeline.**

Extends the unemployment appeals deadline to 60 days. Under current law, applicants and employers have 20 days to appeal a determination of eligibility or ineligibility for unemployment benefits. Determinations are final if no appeal is filed or is filed late.



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