## **HOUSE BILL No. 1254**

## DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-4.

**Synopsis:** Work sharing unemployment insurance program. Establishes a work sharing unemployment insurance program (program). Requires an employer that desires to participate in the program to submit a work sharing plan for approval by the commissioner of the department of workforce development. Establishes the work sharing benefit as equal to an affected employee's unemployment benefit reduced by a percentage equal to the percentage of the employee's normal weekly work hours that the employee works under the approved work sharing plan.

Effective: July 1, 2023.

## Hatfield

January 11, 2023, read first time and referred to Committee on Employment, Labor and Pensions.



First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in this style type. Also, the word NEW will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in this style type or this style type reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

## **HOUSE BILL No. 1254**

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1	SECTION 1. IC 22-4-15-1, AS AMENDED BY P.L.1-2022,
2	SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	JULY 1, 2023]: Sec. 1. (a) Regarding an individual's most recent
4	separation from employment before filing an initial or additional claim
5	for benefits, an individual who voluntarily left the employment without
6	good cause in connection with the work or was discharged from the
7	employment for just cause is ineligible for waiting period or benefit
8	rights for the week in which the disqualifying separation occurred and
9	until:
10	(1) the individual has earned remuneration in employment in at
11	least eight (8) weeks; and
12	(2) the remuneration earned equals or exceeds the product of the
13	weekly benefit amount multiplied by eight (8).
14	If the qualification amount has not been earned at the expiration of an
15	individual's benefit period, the unearned amount shall be carried
16	forward to an extended benefit period or to the benefit period of a
17	subsequent claim.



1	(b) When it has been determined that an individual has been
2	separated from employment under disqualifying conditions as outlined
3	in this section, the maximum benefit amount of the individual's current
4	claim, as initially determined, shall be reduced by an amount
5	determined as follows:
6	(1) For the first separation from employment under disqualifying
7	conditions, the maximum benefit amount of the individual's
8	current claim is equal to the result of:
9	(A) the maximum benefit amount of the individual's current
10	claim, as initially determined; multiplied by
11	(B) seventy-five percent (75%);
12	rounded (if not already a multiple of one dollar (\$1)) to the next
13	higher dollar.
14	(2) For the second separation from employment under
15	disqualifying conditions, the maximum benefit amount of the
16	individual's current claim is equal to the result of:
17	(A) the maximum benefit amount of the individual's current
18	claim determined under subdivision (1); multiplied by
19	(B) eighty-five percent (85%);
20	rounded (if not already a multiple of one dollar (\$1)) to the next
21	higher dollar.
22	(3) For the third and any subsequent separation from employment
23	under disqualifying conditions, the maximum benefit amount of
24	the individual's current claim is equal to the result of:
25	(A) the maximum benefit amount of the individual's current
26	claim determined under subdivision (2); multiplied by
27	(B) ninety percent (90%);
28	rounded (if not already a multiple of one dollar (\$1)) to the next
29	higher dollar.
30	(c) The disqualifications provided in this section shall be subject to
31	the following modifications:
32	(1) An individual shall not be subject to disqualification because
33	of separation from the individual's employment if:
34	(A) the individual left to accept with another employer
35	previously secured permanent full-time work which offered
36	reasonable expectation of continued covered employment and
37	betterment of wages or working conditions and thereafter was
38	employed on said job;
39	(B) having been simultaneously employed by two (2)
40	employers, the individual leaves one (1) such employer
41	voluntarily without good cause in connection with the work
42	but remains in employment with the second employer with a



1	reasonable expectation of continued employment; or
2	(C) the individual left to accept recall made by a base period
3	employer.
4	(2) An individual whose unemployment is the result of medically
5	substantiated physical disability and who is involuntarily
6	unemployed after having made reasonable efforts to maintain the
7	employment relationship shall not be subject to disqualification
8	under this section for such separation.
9	(3) An individual who left work to enter the armed forces of the
10	United States shall not be subject to disqualification under this
11	section for such leaving of work.
12	(4) An individual whose employment is terminated under the
13	compulsory retirement provision of a collective bargaining
14	agreement to which the employer is a party, or under any other
15	plan, system, or program, public or private, providing for
16	compulsory retirement and who is otherwise eligible shall not be
17	deemed to have left the individual's work voluntarily without
18	good cause in connection with the work. However, if such
19	individual subsequently becomes reemployed and thereafter
20	voluntarily leaves work without good cause in connection with the
21	work, the individual shall be deemed ineligible as outlined in this
22	section.
23	(5) An otherwise eligible individual shall not be denied benefits
24	for any week because the individual is in training approved under
25	Section 236(a)(1) of the Trade Act of 1974, nor shall the
26	individual be denied benefits by reason of leaving work to enter
27	such training, provided the work left is not suitable employment,
28	or because of the application to any week in training of provisions
29	in this law (or any applicable federal unemployment
30	compensation law), relating to availability for work, active search
31	for work, or refusal to accept work. For purposes of this
32	subdivision, the term "suitable employment" means with respect
33	to an individual, work of a substantially equal or higher skill level
34	than the individual's past adversely affected employment (as
35	defined for purposes of the Trade Act of 1974), and wages for
36	such work at not less than eighty percent (80%) of the individual's
37	average weekly wage as determined for the purposes of the Trade
38	Act of 1974.
39	(6) An individual is not subject to disqualification because of
40	separation from the individual's employment if:
41	(A) the employment was outside the individual's labor market;
42	(B) the individual left to accept previously secured full-time
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1	work with an employer in the individual's labor market; and
2	(C) the individual actually became employed with the
3	employer in the individual's labor market.
4	(7) An individual who, but for the voluntary separation to move
5	to another labor market to join a spouse who had moved to that
6	labor market, shall not be disqualified for that voluntary
7	separation, if the individual is otherwise eligible for benefits.
8	Benefits paid to the spouse whose eligibility is established under
9	this subdivision shall not be charged against the employer from
10	whom the spouse voluntarily separated.
11	(8) An individual shall not be subject to disqualification if the
12	individual voluntarily left employment or was discharged due to
13	circumstances directly caused by domestic or family violence (as
14	defined in IC 31-9-2-42). An individual who may be entitled to
15	benefits based on this modification may apply to the office of the
16	attorney general under IC 5-26.5 to have an address designated by
17	the office of the attorney general to serve as the individual's
18	address for purposes of this article.
19	(9) An individual shall not be subject to disqualification if the
20	individual:
21	(A) has requested an exemption from an employer's
22	COVID-19 immunization requirement;
23	(B) has complied with the requirements set forth in
24	IC 22-5-4.6; and
25	(C) was discharged from employment for failing or refusing to
26	receive an immunization against COVID-19.
27	(10) An individual who is an affected employee (as defined in
28	IC 22-4-44-2(1)) and is subject to the work sharing
29	unemployment insurance program under IC 22-4-44 is not
30	subject to disqualification for participating in the work
31	
32	sharing unemployment insurance program.  As used in this subsection, "labor market" means the area surrounding
33	an individual's permanent residence, outside which the individual
34	•
35	cannot reasonably commute on a daily basis. In determining whether
	an individual can reasonably commute under this subdivision, the
36	department shall consider the nature of the individual's job.
37	(d) "Discharge for just cause" as used in this section is defined to
38	include but not be limited to:
39	(1) separation initiated by an employer for falsification of an
40	employment application to obtain employment through
41	subterfuge;
42	(2) knowing violation of a reasonable and uniformly enforced rule



1	of an employer, including a rule regarding attendance;
2 3	(3) if an employer does not have a rule regarding attendance, an
3	individual's unsatisfactory attendance, if good cause for absences
4	or tardiness is not established;
5	(4) damaging the employer's property through willful negligence;
6	(5) refusing to obey instructions;
7	(6) reporting to work under the influence of alcohol or drugs or
8	consuming alcohol or drugs on the employer's premises during
9	working hours;
10	(7) conduct endangering safety of self or coworkers;
11	(8) incarceration in jail following conviction of a misdemeanor or
12	felony by a court of competent jurisdiction;
13	(9) any breach of duty in connection with work which is
14	reasonably owed an employer by an employee; or
15	(10) testing positive on a drug test under IC 16-27-2.5.
16	(e) To verify that domestic or family violence has occurred, an
17	individual who applies for benefits under subsection (c)(8) shall
18	provide one (1) of the following:
19	(1) A report of a law enforcement agency (as defined in
20	IC 10-13-3-10).
21	(2) A protection order issued under IC 34-26-5.
22	(3) A foreign protection order (as defined in IC 34-6-2-48.5).
23	(4) An affidavit from a domestic violence service provider
24	verifying services provided to the individual by the domestic
25	violence service provider.
26	SECTION 2. IC 22-4-44 IS ADDED TO THE INDIANA CODE AS
27	A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
28	1, 2023]:
29	Chapter 44. Work Sharing Unemployment Insurance Program
30	Sec. 1. This chapter applies after June 30, 2023.
31	Sec. 2. The following definitions apply throughout this chapter:
32	(1) "Affected employee" means an individual who has been
33	continuously on the payroll of an affected unit for at least
34	sixteen (16) months.
35	(2) "Affected unit" means a specific plant, department, shift,
36	or other definable unit of an employing unit:
37	(A) that has at least two (2) employees; and
38	(B) to which an approved work sharing plan applies.
39	(3) "Approved work sharing plan" means a plan that satisfies
40	the purpose set forth in section 3 of this chapter and has the
41	approval of the commissioner.
42	(4) "Intermittent employment" means periodic intervals that



1	are not continuous during which an individual works for an
2	employing unit.
3	(5) "Normal weekly work hours" means the number of hours
4	that a full-time or part-time employee in the affected unit
5	works in a week when the affected unit is operating on a
6	regular basis. However, the number of hours in a week:
7	(A) may not exceed forty (40) hours; and
8	(B) does not include hours of overtime work.
9	(6) "Part-time employee" means an individual who works in
10	a position in a week for an employing unit in which the
11	number of scheduled work hours are normally less than the
12	number of scheduled work hours worked by a full-time
13	employee. The term does not include a worker who works in
14	a position that is:
15	(A) seasonal employment (as determined by the
16	department under IC 22-4-7-3(b));
17	(B) temporary employment; or
18	(C) intermittent employment.
19	(7) "Payments in lieu of contributions" has the meaning set
20	forth in IC 22-4-2-32.
21	(8) "Work sharing benefit" means a benefit payable to an
22	affected employee for work performed under an approved
23	work sharing plan, but does not include benefits that are
24	otherwise payable under this article.
25	(9) "Work sharing employer" means an employing unit for
26	which a work sharing plan has been approved.
27	(10) "Work sharing plan" means a plan of an employing unit
28	under which:
29	(A) normal weekly work hours of the affected employees
30	are reduced instead of a layoff of part or all of the affected
31	employees; and
32	(B) the affected employees share the work that remains
33	after the reduction.
34	Sec. 3. The work sharing unemployment insurance program
35	seeks to:
36	(1) preserve the jobs of employees and the workforce of an
37	employer during lowered economic activity by a reduction in
38	work hours or workdays rather than by a layoff of some
39	employees while other employees continue their normal
40	weekly work hours or workdays; and
41	(2) ameliorate the adverse effect of reduction in business



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activity by providing benefits for the part of the normal

1	weekly work hours or workdays in which an employee does
2	not work.
3	Sec. 4. (a) An employing unit that meets all the following
4	requirements is eligible to participate in the work sharing
5	unemployment insurance program established by this chapter:
6	(1) The employing unit is subject to this article for wages paid
7	during a calendar year.
8	(2) The employing unit's:
9	(A) contribution rate for the calendar year; or
10	(B) payments in lieu of contributions;
11	are determined under IC 22-4-10, IC 22-4-11, IC 22-4-11.5, or
12	IC 22-4-37-3.
13	(3) The employing unit is not delinquent as determined under
14	IC 22-4-11-2.
15	(4) The employing unit had an experience account with a
16	credit balance on the latest computation date.
17	(b) An employing unit that:
18	(1) meets the eligibility requirements under subsection (a);
19	and
20	(2) wishes to participate in the work sharing unemployment
21	insurance program established by this chapter;
22	shall submit a written work sharing plan to the commissioner.
23	Sec. 5. (a) Not later than fifteen (15) calendar days after receipt
24	of a work sharing plan, the commissioner shall give written
25	approval or disapproval of the work sharing plan to the employing
26	unit.
27	(b) The decision of the commissioner to disapprove a work
28	sharing plan is final and may not be appealed.
29	(c) An employing unit may not submit a new work sharing plan
30	less than fifteen (15) calendar days after the date of the
31	commissioner's disapproval of a work sharing plan in accordance
32	with subsection (a).
33	Sec. 6. The commissioner shall approve a work sharing plan
34	that meets the following requirements:
35	(1) The work sharing plan must apply to the greater of:
36	(A) ten percent (10%) of the employees in an affected unit;
37	or
38	(B) two (2) employees in an affected unit.
39	(2) The normal weekly work hours of the affected employees
40	in the affected unit shall be reduced by at least ten percent
41	(10%), but the reduction may not exceed fifty percent (50%).
42	The reduction in normal weekly work hours must be spread



1	equally among all of the affected employees.
2 3	Sec. 7. (a) A work sharing plan must:
3	(1) identify the affected unit or units to which the work
4	sharing plan applies;
5	(2) state:
6	(A) the reason or reasons resulting in the reduction in
7	normal weekly work hours under section 6(2) of this
8	chapter;
9	(B) the expected duration of the reduction in normal
10	weekly work hours under section 6(2) of this chapter; and
11	(C) an estimate of the number of layoffs that will be
12	averted by the employing unit's participation in a work
13	sharing plan;
14	(3) specify the effective date of the work sharing plan;
15	(4) specify an expiration date that is not more than twelve (12)
16	months after the effective date of the work sharing plan;
17	(5) identify each employee in the affected unit by:
18	(A) name;
19	(B) Social Security number;
20	(C) the normal weekly work hours of the employee;
21	(D) the reductions in the number of hours and the amount
22	of wages proposed for the employee by the work sharing
23	plan; and
24	(E) any other information the commissioner requires;
25	(6) specify that the work sharing plan will not affect the fringe
26	benefits of any employee in the affected unit, including:
27	(A) health insurance for hospital, medical, dental, and
28	similar services;
29	(B) retirement benefits under benefit pension plans as
30	defined in the federal Employee Retirement Income
31	Security Act (29 U.S.C. 1001 et seq.);
32	(C) holiday and vacation pay;
33	(D) sick leave; and
34	(E) other similar benefits that are incidents of
35	employment;
36	(7) certify that:
37	(A) each affected employee has been continuously on the
38	payroll of the employing unit for at least sixteen (16)
39	months immediately before the date on which the
40	employing unit submits the work sharing plan;
41	(B) the total reduction in normal weekly work hours is in
42	place of layoffs that would have:



1	(i) affected at least the number of employees estimated in
2	subdivision (2)(C); and
3	(ii) resulted in an equivalent reduction in work hours;
4	and
5	(C) the work sharing plan will not serve as a subsidy of:
6	(i) seasonal employment as determined by the
7	department as a seasonal determination under
8	IC 22-4-7-3(b);
9	(ii) temporary employment; or
10	(iii) intermittent employment;
l 1	(8) contain:
12	(A) the written approval of the collective bargaining agent
13	for each collective bargaining agreement that covers any
14	affected employee in the affected unit; or
15	(B) in the absence of a collective bargaining agreement, a
16	certification by the employing unit that the proposed work
17	sharing plan, or a summary of the work sharing plan, has
18	been made available to each affected employee in the
19	affected unit; and
20	(9) include the employing unit's attestation that participation
21	in a work sharing plan is consistent with the employing unit's
22	obligations under applicable federal and state laws.
23	(b) A work sharing plan may include an option that allows an
24	affected employee to attend work related training or retraining to
25	enhance job skills (including employing unit sponsored training or
26	worker training funded under the federal Workforce Innovation
27	and Opportunity Act of 2014 (29 U.S.C. 3101 et seq.)) during the
28	affected employee's work hours. The commissioner shall approve
29	the training or retraining offered under this subsection.
30	Sec. 8. A work sharing employer shall agree to:
31	(1) submit reports that are necessary to administer the
32	approved work sharing plan; and
33	(2) allow the department to have access to all records
34	necessary to:
35	(A) verify the work sharing plan before its approval; and
36	(B) monitor and evaluate the application of the approved
37	work sharing plan.
38	Sec. 9. (a) An approved work sharing plan may be modified if:
39	(1) the work sharing employer notifies the commissioner in
10	writing not later than fifteen (15) calendar days after the date
11	the modification is made whenever the modification is not



substantial; or

1	(2) whenever the modification is substantial:
2	(A) the modification meets the requirements for approval
3	under section 6 of this chapter; and
4	(B) the commissioner approves the modification.
5	If the commissioner determines that a modification reported under
6	subdivision (1) is substantial, the commissioner shall notify the
7	work sharing employer of the commissioner's determination and
8	require the work sharing employer to request approval of the
9	modification under subdivision (2).
10	(b) The commissioner shall not approve a modification of a
11	work sharing plan that extends the expiration date of the work
12	sharing plan.
13	(c) The decision of the commissioner to disapprove a
14	modification to a work sharing plan is final and may not be
15	appealed.
16	Sec. 10. (a) An affected employee is eligible under this chapter
17	to receive work sharing benefits for each week in which the
18	commissioner determines that the affected employee is:
19	(1) able to work; and
20	(2) available for more hours of work for the work sharing
21	employer.
22	(b) An affected employee who is otherwise eligible may not be
23	denied work sharing benefits for lack of effort to secure full-time
24	work as set forth in IC 22-4-14-3 or for failure to apply for
25	available, suitable work as set forth in IC 22-4-15-2 from a person
26	other than the work sharing employer.
27	(c) An affected employee shall apply for benefits in accordance
28	with IC 22-4-17-1.
29	(d) An affected employee who is otherwise eligible for benefits
30	is:
31	(1) considered to be unemployed for the purpose of the work
32	sharing unemployment insurance program; and
33	(2) not subject to the requirements of IC 22-4-14-2.
34	Sec. 11. The unemployment compensation weekly work sharing
35	benefit due to an affected employee is determined in STEP FIVE
36	of the following formula:
37	STEP ONE: Determine the weekly benefit amount that would
38	be due to the employee under IC 22-4-12-4.
39	STEP TWO: Subtract the number of the employee's work
40	hours under the approved work sharing plan from the
41	number of the employee's normal weekly work hours.
42	STEP THREE: Divide the STEP TWO result by the number



1	of the employee's normal weekly work hours.
2	STEP FOUR: Multiply the number determined in STEP ONE
3	by the quotient determined in STEP THREE.
4	STEP FIVE: If the product determined under STEP FOUR is
5	not a multiple of one dollar (\$1), round down to the nearest
6	lower multiple of one dollar (\$1).
7	Sec. 12. (a) An affected employee may not receive more than
8	fifty-two (52) weeks of work sharing benefits during each benefit
9	period.
10	(b) The total amount of benefits payable under IC 22-4-12-4 and
11	work sharing benefits payable under this chapter may not exceed
12	the total amount of benefits payable for the benefit period under
13	IC 22-4-12-4(a).
14	Sec. 13. During a week in which an affected employee who
15	otherwise is eligible for benefits does not work for the work
16	sharing employer:
17	(1) the individual shall be paid unemployment insurance
18	benefits in accordance with IC 22-4-12; and
19	(2) the week does not count as a week for which a work
20	sharing benefit is received.
21	Sec. 14. During a week in which an affected employee works for
22	a work sharing employer under an approved work sharing plan
23	and also for another employer, the work sharing benefit is
24	determined under section 11 of this chapter by subtracting (in
25	STEP TWO) the combined hours worked for the work sharing
26	employer and the other employer from the affected employee's
27	normal weekly work hours.
28	Sec. 15. Work sharing benefits shall be charged to the work
29	sharing employer's experience balance in the same manner as
30	unemployment insurance is charged under this article. Employers
31	liable for payments in lieu of contributions shall have work sharing
32	benefits attributed to service in their employ in the same manner
33	as unemployment insurance is attributed under this article.
34	However, during a period in which the federal government
35	reimburses the state for work sharing benefits, the state may not:
36	(1) charge an employer's experience account; or
37	(2) require payments in lieu of contributions;
38	for work sharing benefits paid under this article.
39	Sec. 16. (a) The commissioner may revoke approval of an
40	approved work sharing plan for good cause, including:
41	(1) conduct or an occurrence that tends to defeat the intent

and effective operation of the approved work sharing plan;



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1	(2) failure to comply with an assurance in the approved work
2	sharing plan;
2 3	(3) unreasonable revision of a productivity standard of the
4	affected unit;
5	(4) violation of a criterion on which the commissioner based
6	the approval of the work sharing plan; or
7	(5) failure of the employing unit to comply with the eligibility
8	requirements under section 4(a) of this chapter for
9	participation in the work sharing unemployment insurance
10	program.
l 1	(b) A work sharing employer may terminate an approved work
12	sharing plan at any time by notifying the following at least fifteen
13	(15) calendar days before the termination of the plan:
14	(1) The commissioner.
15	(2) One (1) of the following:
16	(A) The collective bargaining agent for each collective
17	bargaining agreement that covers any affected employee
18	in the affected unit.
19	(B) In the absence of a collective bargaining agreement,
20	each affected employee in the affected unit.
21	(c) An affected employee in an affected unit or the collective
22	bargaining agent representing an affected employee in an affected
23	unit may request that the commissioner take action to revoke the
24	approval of an approved work sharing plan.
25	(d) The commissioner shall give written notice of a revocation
26	to the work sharing employer specifying:
27	(1) the date the revocation is effective; and
28	(2) the reason or reasons for the revocation.
29	(e) The commissioner's decision to revoke approval of an
30	approved work sharing plan is final and may not be appealed.
31	(f) The department shall review the operation of an approved
32	work sharing plan at least once during the period that the
33	approved work sharing plan is in effect to ensure that the work
34	sharing employer is complying with the requirements of the
35	approved work sharing plan.
36	Sec. 17. The department may adopt and enforce rules under
37	IC 4-22-2 that are necessary to carry out this chapter in



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accordance with IC 22-4-19-1.