

EXTENDED LAYOFF

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 501 (S-3) as passed by the Senate
Sponsor: Sen. Ken Horn
House Committee: Workforce, Trades, and Talent
Senate Committee: Economic and Small Business Development
Revised 7-30-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 501 would amend the Michigan Employment Security Act to provide that an unemployed person who received a waiver from certain unemployment requirements because the person's employer indicated that the layoff was temporary could be eligible for up to a 90-day extension of that waiver if the employer indicates that the layoff is an extended layoff for a qualifying reason.

Currently, an unemployed person is eligible to receive benefits for a given week only if the unemployment agency (UIA) finds that the person has registered for work with MichiganWorks! after applying for benefits, continues to report pursuant to UIA rules, and is actively seeking work, in addition to other requirements.

The bill would provide that the person must have registered within the prescribed time period in order to be eligible.

The requirements to report, register to work, be available to perform suitable full-time work, and seek work may be waived by the UIA if the employer notifies the UIA that the layoff is temporary, for a period not to exceed 45 days.

The bill would allow the UIA to extend the waiver for an additional 90 days if, before the end of the initial waiver period of less than 45 days, the employer notifies the UIA that the layoff is an extended layoff and is the result of one or more of the following:

- The retooling of the employer's equipment.
- A parts shortage.
- A temporary production volume adjustment.

If a person was laid off because of such an extended layoff that existed on May 31, 2021, the requirements that the person report, register to work, be available to perform suitable full-time work, and seek work could be waived by the UIA. The waiver could occur if the person's employer notifies the UIA of the extended layoff before July 16, 2021. The tolling of the extended waiver would begin on May 31, 2021.

MCL 421.28

FISCAL IMPACT:

Senate Bill 501 would not have a significant fiscal impact on any unit of state or local government. The changes created by the bill would not influence volumes of unemployment claims and would not necessitate any expenditure by the Unemployment Insurance Agency.

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Marcus Coffin

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.