

HOUSE BILL No. 6429

September 6, 2006, Introduced by Reps. Bennett, Miller, Polidori, Sheltroun, Wojno, Angerer, Donigan, Hopgood, Farrah, Gillard, Kathleen Law, McDowell, Mayes, Alma Smith, Bieda, Lipsey, Accavitti, Kolb, Tobocman, Brown, Adamini, Sak, Williams, Leland, Clack, Anderson, Plakas, Waters, Zelenko, Cushingberry, Lemmons, Jr., Byrum and Murphy and referred to the Committee on Employment Relations, Training, and Safety.

A bill to amend 1936 (Ex Sess) PA 1, entitled
 "Michigan employment security act,"
 by amending section 27 (MCL 421.27), as amended by 2002 PA 192.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 27. (a)(1) When a determination, redetermination, or
 2 decision is made that benefits are due an unemployed individual,
 3 the benefits ~~shall~~ become payable from the fund and continue to
 4 be payable to the unemployed individual, subject to the limitations
 5 imposed by the individual's monetary entitlement, if the individual
 6 continues to be unemployed and to file claims for benefits, until
 7 the determination, redetermination, or decision is reversed, a
 8 determination, redetermination, or decision on a new issue holding
 9 the individual disqualified or ineligible is made, or, for benefit
 10 years beginning before ~~the conversion date prescribed in section~~

1 ~~75- OCTOBER 1, 2000~~, a new separation issue arises resulting from
2 subsequent work.

3 (2) Benefits shall be paid in person or by mail through
4 employment offices in accordance with rules promulgated by the
5 commission.

6 (b)(1) Subject to subsection (f), the weekly benefit rate for
7 an individual, with respect to benefit years beginning before ~~the~~
8 ~~conversion date prescribed in section 75, shall be~~ **OCTOBER 1,**
9 **2000, IS** 67% of the individual's average after tax weekly wage,
10 except that the individual's maximum weekly benefit rate shall not
11 exceed \$300.00. However, with respect to benefit years beginning
12 ~~after the conversion date as prescribed in section 75~~ **ON OR AFTER**
13 **OCTOBER 1, 2000**, the individual's weekly benefit rate ~~shall be~~
14 ~~4.1%~~ **IS 4.4%** of the individual's wages paid in the calendar
15 quarter of the base period in which the individual was paid the
16 highest total wages, plus \$6.00 for each dependent as defined in
17 subdivision ~~(3)~~ **(4)**, up to a maximum of 5 dependents, claimed by
18 the individual at the time the individual files a new claim for
19 benefits, except that the individual's maximum weekly benefit rate
20 shall not exceed \$300.00 before ~~the effective date of the~~
21 ~~amendatory act that added section 13/~~ **APRIL 26, 2002** and \$362.00
22 for claims filed on and after ~~the effective date of the amendatory~~
23 ~~act that added section 13/~~ **APRIL 26, 2002**. The weekly benefit rate
24 for an individual claiming benefits on and after ~~the effective~~
25 ~~date of the amendatory act that added section 13/~~ **APRIL 26, 2002**
26 shall be recalculated subject to the \$362.00 maximum weekly benefit
27 rate. The unemployment agency shall establish the procedures

1 necessary to verify the number of dependents claimed. If a person
2 fraudulently claims a dependent, that person is subject to the
3 penalties set forth in sections 54 and 54c. ~~With respect to~~ **FOR**
4 benefit years beginning on or after October 2, 1983, the weekly
5 benefit rate shall be adjusted to the next lower multiple of \$1.00.

6 (2) For benefit years beginning before ~~the conversion date~~
7 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, the state average weekly
8 wage for a calendar year shall be computed on the basis of the 12
9 months ending the June 30 immediately ~~preceding~~ **BEFORE** that
10 calendar year. The commission shall prepare a table of weekly
11 benefit rates based on an "average after tax weekly wage"
12 calculated by subtracting, from an individual's average weekly wage
13 as determined in accordance with section 51, a reasonable
14 approximation of the weekly amount required to be withheld by the
15 employer from the remuneration of the individual based on
16 dependents and exemptions for income taxes under ~~chapter 24 of~~
17 ~~subtitle C of the internal revenue code of 1986,~~ 26 ~~U.S.C.~~ **USC**
18 3401 to 3406, and under section 351 of the income tax act of 1967,
19 1967 PA 281, MCL 206.351, and for old age and survivor's disability
20 insurance taxes under the federal insurance contributions act,
21 ~~chapter 21 of subtitle C of the internal revenue code of 1986,~~ 26
22 ~~U.S.C.~~ **USC 3101 TO 3128**. For purposes of applying the table to an
23 individual's claim, a dependent shall be as defined in subdivision
24 (3). The table applicable to an individual's claim shall be the
25 table reflecting the number of dependents claimed by the individual
26 under subdivision (3). The commission shall adjust the tables based
27 on changes in withholding schedules published by the United States

1 department of treasury, internal revenue service, and by the
2 department of treasury. The number of dependents allowed shall be
3 determined with respect to each week of unemployment for which an
4 individual is claiming benefits.

5 (3) For benefit years beginning before ~~the conversion date~~
6 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, a dependent means any of
7 the following persons who is receiving and for at least 90
8 consecutive days immediately ~~preceding~~ **BEFORE** the week for which
9 benefits are claimed, or, in the case of a dependent husband, wife,
10 or child, for the duration of the marital or parental relationship,
11 if the relationship has existed less than 90 days, has received
12 more than half the cost of his or her support from the individual
13 claiming benefits:

14 (a) A child, including stepchild, adopted child, or grandchild
15 of the individual who is under 18 years of age, or 18 years of age
16 or over if, because of physical or mental infirmity, the child is
17 unable to engage in a gainful occupation, or is a full-time student
18 as defined by the particular educational institution, at a high
19 school, vocational school, community or junior college, or college
20 or university and has not attained the age of 22.

21 (b) The husband or wife of the individual.

22 (c) The legal father or mother of the individual if that
23 parent is either more than 65 years of age or is permanently
24 disabled from engaging in a gainful occupation.

25 (d) A brother or sister of the individual if the brother or
26 sister is orphaned or the living parents are dependent parents of
27 an individual, and the brother or sister is under 18 years of age,

1 or 18 years of age or over if, because of physical or mental
2 infirmity, the brother or sister is unable to engage in a gainful
3 occupation, or is a full-time student as defined by the particular
4 educational institution, at a high school, vocational school,
5 community or junior college, or college or university and is less
6 than 22 years of age.

7 (4) For benefit years beginning ~~after the conversion date~~
8 ~~prescribed in section 75~~ **ON OR AFTER OCTOBER 1, 2000**, a dependent
9 means any of the following persons who received for at least 90
10 consecutive days immediately ~~preceding~~ **BEFORE** the first week of
11 the benefit year or, in the case of a dependent husband, wife, or
12 child, for the duration of the marital or parental relationship if
13 the relationship existed less than 90 days before the beginning of
14 the benefit year, has received more than 1/2 the cost of his or her
15 support from the individual claiming the benefits:

16 (a) A child, including stepchild, adopted child, or grandchild
17 of the individual who is under 18 years of age, or 18 years of age
18 and over if, because of physical or mental infirmity, the child is
19 unable to engage in a gainful occupation, or is a full-time student
20 as defined by the particular educational institution, at a high
21 school, vocational school, community or junior college, or college
22 or university and has not attained the age of 22.

23 (b) The husband or wife of the individual.

24 (c) The legal father or mother of the individual if that
25 parent is either more than 65 years of age or is permanently
26 disabled from engaging in a gainful occupation.

27 (d) A brother or sister of the individual if the brother or

1 sister is orphaned or the living parents are dependent parents of
2 an individual, and the brother or sister is under 18 years of age,
3 or 18 years of age and over if, because of physical or mental
4 infirmity, the brother or sister is unable to engage in a gainful
5 occupation, or is a full-time student as defined by the particular
6 educational institution, at a high school, vocational school,
7 community or junior college, or college or university and is less
8 than 22 years of age.

9 (5) For benefit years beginning before ~~the conversion date~~
10 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, dependency status of a
11 dependent, child or otherwise, once established or fixed in favor
12 of an individual continues during the individual's benefit year
13 until terminated. Dependency status of a dependent terminates at
14 the end of the week in which the dependent ceases to be an
15 individual described in subdivision (3)(a), (b), (c), or (d)
16 because of age, death, or divorce. For benefit years beginning
17 ~~after the conversion date prescribed in section 75~~ **ON OR AFTER**
18 **OCTOBER 1, 2000**, the number of dependents established for an
19 individual at the beginning of the benefit year shall remain in
20 effect during the entire benefit year.

21 (6) For benefit years beginning before ~~the conversion date~~
22 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, failure on the part of
23 an individual, due to misinformation or lack of information, to
24 furnish all information material for determination of the number of
25 the individual's dependents when the individual files a claim for
26 benefits with respect to a week ~~shall be considered~~ **IS** good cause
27 ~~for the issuance of~~ **TO ISSUE** a redetermination as to the amount of

1 benefits based on the number of the individual's dependents as of
2 the beginning date of that week. Dependency status of a dependent,
3 child or otherwise, once established or fixed in favor of a person
4 is not transferable to or usable by another person with respect to
5 the same week.

6 For benefit years beginning ~~after the conversion date as~~
7 ~~prescribed in section 75~~ **ON OR AFTER OCTOBER 1, 2000**, failure on
8 the part of an individual, due to misinformation or lack of
9 information, to furnish all information material for determination
10 of the number of the individual's dependents ~~shall be considered~~
11 **IS** good cause ~~for the issuance of~~ **TO ISSUE** a redetermination as
12 to the amount of benefits based on the number of the individual's
13 dependents as of the beginning of the benefit year.

14 (c) Subject to subsection (f), all of the following apply to
15 eligible individuals:

16 (1) Each eligible individual shall be paid a weekly benefit
17 rate with respect to the week for which the individual earns or
18 receives no remuneration. Notwithstanding the definition of week in
19 section 50, if within 2 consecutive weeks in which an individual
20 was not unemployed within the meaning of section 48 there was a
21 period of 7 or more consecutive days for which the individual did
22 not earn or receive remuneration, that period shall be considered a
23 week for benefit purposes under this act if a claim for benefits
24 for that period is filed not later than 30 days after the end of
25 the period.

26 (2) Each eligible individual shall have his or her weekly
27 benefit rate reduced with respect to each week in which the

1 individual earns or receives remuneration at the rate of 50 cents
2 for each whole \$1.00 of remuneration earned or received during that
3 week.

4 (3) An individual who receives or earns partial remuneration
5 may not receive a total of benefits and earnings that exceeds 1-1/2
6 times his or her weekly benefit amount. For each dollar of total
7 benefits and earnings that exceeds 1-1/2 times the individual's
8 weekly benefit amount, benefits shall be reduced by \$1.00.

9 (4) If the reduction in a claimant's benefit rate for a week
10 in accordance with subparagraph (2) or (3) results in a benefit
11 rate greater than zero for that week, the claimant's balance of
12 weeks of benefit payments ~~will~~ **SHALL** be reduced by 1 week.

13 (5) All remuneration for work performed during a shift that
14 terminates on 1 day but that began on the preceding day shall be
15 considered to have been earned by the eligible individual on the
16 preceding day.

17 (d) For benefit years beginning before ~~the conversion date~~
18 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, and subject to
19 subsection (f) and this subsection, the amount of benefits to which
20 an individual who is otherwise eligible is entitled during a
21 benefit year from an employer with respect to employment during the
22 base period is the amount obtained by multiplying the weekly
23 benefit rate with respect to that employment by 3/4 of the number
24 of credit weeks earned in the employment. For the purpose of this
25 subsection and section 20(c), if the resultant product is not an
26 even multiple of 1/2 the weekly benefit rate, the product shall be
27 raised to an amount equal to the next higher multiple of 1/2 the

1 weekly benefit rate, and, for an individual who was employed by
2 only 1 employer in the individual's base period and earned 34
3 credit weeks with that employer, the product shall be raised to the
4 next higher multiple of the weekly benefit rate. The maximum amount
5 of benefits payable to an individual within a benefit year, with
6 respect to employment by an employer, shall not exceed 26 times the
7 weekly benefit rate with respect to that employment. The maximum
8 amount of benefits payable to an individual within a benefit year
9 shall not exceed the amount to which the individual would be
10 entitled for 26 weeks of unemployment in which remuneration was not
11 earned or received. The limitation of total benefits set forth in
12 this subsection does not apply to claimants declared eligible for
13 training benefits in accordance with subsection (g). For benefit
14 years beginning ~~after the conversion date prescribed in section 75~~
15 **ON OR AFTER OCTOBER 1, 2000**, and subject to subsection (f) and this
16 subsection, the maximum benefit amount payable to an individual in
17 a benefit year for purposes of this section and section ~~20(e)~~
18 **20(D)** is the number of weeks of benefits payable to an individual
19 during the benefit year, multiplied by the individual's weekly
20 benefit rate. The number of weeks of benefits payable to an
21 individual shall be calculated by taking ~~43%~~ **45%** of the
22 individual's base period wages and dividing the result by the
23 individual's weekly benefit rate. If the quotient is not a whole or
24 half number, the result shall be rounded down to the nearest half
25 number. However, not more than 26 weeks of benefits or less than 14
26 weeks of benefits shall be payable to an individual in a benefit
27 year. The limitation of total benefits set forth in this subsection

1 shall not apply to claimants declared eligible for training
2 benefits in accordance with subsection (g).

3 (e) When a claimant dies or is judicially declared insane or
4 mentally incompetent, unemployment compensation benefits accrued
5 and payable to that person for weeks of unemployment before death,
6 insanity, or incompetency, but not paid, shall become due and
7 payable to the person who is the legal heir or guardian of the
8 claimant or to any other person found by the commission to be
9 equitably entitled to the benefits by reason of having incurred
10 expense in behalf of the claimant for the claimant's burial or
11 other necessary expenses.

12 (f)(1) For benefit years beginning before ~~the conversion date~~
13 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, and notwithstanding any
14 inconsistent provisions of this act, the weekly benefit rate of
15 each individual who is receiving or will receive a "retirement
16 benefit", as defined in subdivision (4), shall be adjusted as
17 provided in subparagraphs (a), (b), and (c). However, an
18 individual's extended benefit account and an individual's weekly
19 extended benefit rate under section 64 shall be established without
20 reduction under this subsection unless subdivision (5) is in
21 effect. Except as otherwise provided in this subsection, all other
22 provisions of this act continue to apply in connection with the
23 benefit claims of those retired persons.

24 (a) If and to the extent that unemployment benefits payable
25 under this act would be chargeable to an employer who has
26 contributed to the financing of a retirement plan under which the
27 claimant is receiving or will receive a retirement benefit yielding

1 a pro rata weekly amount equal to or larger than the claimant's
2 weekly benefit rate as otherwise established under this act, the
3 claimant shall not receive unemployment benefits that would be
4 chargeable to the employer under this act.

5 (b) If and to the extent that unemployment benefits payable
6 under this act would be chargeable to an employer who has
7 contributed to the financing of a retirement plan under which the
8 claimant is receiving or will receive a retirement benefit yielding
9 a pro rata weekly amount less than the claimant's weekly benefit
10 rate as otherwise established under this act, then the weekly
11 benefit rate otherwise payable to the claimant and chargeable to
12 the employer under this act shall be reduced by an amount equal to
13 the pro rata weekly amount, adjusted to the next lower multiple of
14 \$1.00, which the claimant is receiving or will receive as a
15 retirement benefit.

16 (c) If the unemployment benefit payable under this act would
17 be chargeable to an employer who has not contributed to the
18 financing of a retirement plan under which the claimant is
19 receiving or will receive a retirement benefit, then the weekly
20 benefit rate of the claimant as otherwise established under this
21 act shall not be reduced due to receipt of a retirement benefit.

22 (d) If the unemployment benefit payable under this act is
23 computed on the basis of multiemployer credit weeks and a portion
24 of the benefit is allocable under section 20(e) to an employer who
25 has contributed to the financing of a retirement plan under which
26 the claimant is receiving or will receive a retirement benefit, the
27 adjustments required by subparagraph (a) or (b) apply only to that

1 portion of the weekly benefit rate that would otherwise be
2 allocable and chargeable to the employer.

3 (2) If an individual's weekly benefit rate under this act was
4 established before the period for which the individual first
5 receives a retirement benefit, any benefits received after a
6 retirement benefit becomes payable shall be determined in
7 accordance with the formula stated in this subsection.

8 (3) When necessary to assure prompt payment of benefits, the
9 commission shall determine the pro rata weekly amount yielded by an
10 individual's retirement benefit based on the best information
11 currently available to it. In the absence of fraud, a determination
12 shall not be reconsidered unless it is established that the
13 individual's actual retirement benefit in fact differs from the
14 amount determined by \$2.00 or more per week. The reconsideration
15 shall apply only to benefits as may be claimed after the
16 information on which the reconsideration is based was received by
17 the commission.

18 (4)(a) As used in this ~~subdivision~~ **SUBSECTION**, "retirement
19 benefit" means a benefit, annuity, or pension of any type or that
20 part thereof that is described in subparagraph (b) that is **BOTH**:

21 (i) Provided as an incident of employment under an established
22 retirement plan, policy, or agreement, including federal social
23 security if subdivision (5) is in effect.

24 (ii) Payable to an individual because the individual has
25 qualified on the basis of attained age, length of service, or
26 disability, whether or not the individual retired or was retired
27 from employment. Amounts paid to individuals in the course of

1 liquidation of a private pension or retirement fund because of
2 termination of the business or of a plant or department of the
3 business of the employer involved ~~shall~~ **ARE** not ~~be considered to~~
4 ~~be~~ retirement benefits.

5 (b) If a benefit as described in subparagraph (a) is payable
6 or paid to the individual under a plan to which the individual has
7 contributed:

8 (i) Less than half of the cost of the benefit, then only half
9 of the benefit ~~shall be~~ **IS** treated as a retirement benefit.

10 (ii) Half or more of the cost of the benefit, then none of the
11 benefit ~~shall be~~ **IS** treated as a retirement benefit.

12 (c) The burden of establishing the extent of an individual's
13 contribution to the cost of his or her retirement benefit for the
14 purpose of subparagraph (b) is upon the employer who has
15 contributed to the plan under which a benefit is provided.

16 (5) Notwithstanding any other provision of this subsection,
17 for any week that begins after March 31, 1980, and with respect to
18 which an individual is receiving a governmental or other pension
19 and claiming unemployment compensation, the weekly benefit amount
20 payable to the individual for those weeks shall be reduced, but not
21 below zero, by the entire prorated weekly amount of any
22 governmental or other pension, retirement or retired pay, annuity,
23 or any other similar payment that is based on any previous work of
24 the individual. This reduction shall be made only if it is required
25 as a condition for full tax credit against the tax imposed by the
26 federal unemployment tax act, ~~chapter 23 of subtitle C of the~~
27 ~~internal revenue code of 1986,~~ 26 ~~U.S.C.~~ **USC** 3301 to 3311.

1 (6) For benefit years beginning ~~after the conversion date~~
2 ~~prescribed in section 75~~ **ON OR AFTER OCTOBER 1, 2000**,
3 notwithstanding any inconsistent provisions of this act, the weekly
4 benefit rate of each individual who is receiving or will receive a
5 retirement benefit, as defined in subdivision (4), shall be
6 adjusted as provided in subparagraphs (a), (b), and (c). However,
7 an individual's extended benefit account and an individual's weekly
8 extended benefit rate under section 64 shall be established without
9 reduction under this subsection, unless subdivision (5) is in
10 effect. Except as otherwise provided in this subsection, all the
11 other provisions of this act shall continue to be applicable in
12 connection with the benefit claims of those retired persons.

13 (a) If any base period or chargeable employer has contributed
14 to the financing of a retirement plan under which the claimant is
15 receiving or will receive a retirement benefit yielding a pro rata
16 weekly amount equal to or larger than the claimant's weekly benefit
17 rate as otherwise established under this act, the claimant shall
18 not receive unemployment benefits.

19 (b) If any base period employer or chargeable employer has
20 contributed to the financing of a retirement plan under which the
21 claimant is receiving or will receive a retirement benefit yielding
22 a pro rata weekly amount less than the claimant's weekly benefit
23 rate as otherwise established under this act, then the weekly
24 benefit rate otherwise payable to the claimant shall be reduced by
25 an amount equal to the pro rata weekly amount, adjusted to the next
26 lower multiple of \$1.00, which the claimant is receiving or will
27 receive as a retirement benefit.

1 (c) If no base period or separating employer has contributed
2 to the financing of a retirement plan under which the claimant is
3 receiving or will receive a retirement benefit, then the weekly
4 benefit rate of the claimant as otherwise established under this
5 act shall not be reduced due to receipt of a retirement benefit.

6 (g) Notwithstanding any other provision of this act, an
7 individual pursuing vocational training or retraining pursuant to
8 section 28(2) who has exhausted all benefits available under
9 subsection (d) may be paid for each week of approved vocational
10 training pursued beyond the date of exhaustion a benefit amount in
11 accordance with subsection (c), but not in excess of the
12 individual's most recent weekly benefit rate. However, an
13 individual shall not be paid training benefits totaling more than
14 18 times the individual's most recent weekly benefit rate. The
15 expiration or termination of a benefit year shall not stop or
16 interrupt payment of training benefits if the training for which
17 the benefits were granted began before expiration or termination of
18 the benefit year.

19 (h) A payment of accrued unemployment benefits shall not be
20 made to an eligible individual or in behalf of that individual as
21 provided in subsection (e) more than 6 years after the ending date
22 of the benefit year covering the payment or 2 calendar years after
23 the calendar year in which there is final disposition of a
24 contested case, whichever is later.

25 (i) Benefits based on service in employment described in
26 section 42(8), (9), and (10) are payable in the same amount, on the
27 same terms, and subject to the same conditions as compensation

1 payable on the basis of other service subject to this act, except
2 that:

3 (1) With respect to service performed in an instructional,
4 research, or principal administrative capacity for an institution
5 of higher education as defined in section 53(2), or for an
6 educational institution other than an institution of higher
7 education as defined in section 53(3), benefits shall not be paid
8 to an individual based on those services for any week of
9 unemployment beginning after December 31, 1977 that commences
10 during the period between 2 successive academic years or during a
11 similar period between 2 regular terms, whether or not successive,
12 or during a period of paid sabbatical leave provided for in the
13 individual's contract, to an individual if the individual performs
14 the service in the first of the academic years or terms and if
15 there is a contract or a reasonable assurance that the individual
16 will perform service in an instructional, research, or principal
17 administrative capacity for an institution of higher education or
18 an educational institution other than an institution of higher
19 education in the second of the academic years or terms, whether or
20 not the terms are successive.

21 (2) With respect to service performed in other than an
22 instructional, research, or principal administrative capacity for
23 an institution of higher education as defined in section 53(2) or
24 for an educational institution other than an institution of higher
25 education as defined in section 53(3), benefits shall not be paid
26 based on those services for any week of unemployment beginning
27 after December 31, 1977 that commences during the period between 2

1 successive academic years or terms to any individual if that
2 individual performs the service in the first of the academic years
3 or terms and if there is a reasonable assurance that the individual
4 will perform the service for an institution of higher education or
5 an educational institution other than an institution of higher
6 education in the second of the academic years or terms.

7 (3) With respect to any service described in subdivision (1)
8 or (2), benefits shall not be paid to an individual based upon
9 service for any week of unemployment that commences during an
10 established and customary vacation period or holiday recess if the
11 individual performs the service in the period immediately before
12 the vacation period or holiday recess and there is a contract or
13 reasonable assurance that the individual will perform the service
14 in the period immediately following the vacation period or holiday
15 recess.

16 (4) If benefits are denied to an individual for any week
17 solely as a result of subdivision (2) and the individual was not
18 offered an opportunity to perform in the second academic year or
19 term the service for which reasonable assurance had been given, the
20 individual is entitled to a retroactive payment of benefits for
21 each week for which the individual had previously filed a timely
22 claim for benefits. An individual entitled to benefits under this
23 subdivision may apply for those benefits by mail in accordance with
24 R 421.210 **OF THE MICHIGAN ADMINISTRATIVE CODE** as promulgated by the
25 commission.

26 (5) Benefits based upon services in other than an
27 instructional, research, or principal administrative capacity for

1 an institution of higher education shall not be denied for any week
2 of unemployment commencing during the period between 2 successive
3 academic years or terms solely because the individual had performed
4 the service in the first of the academic years or terms and there
5 is reasonable assurance that the individual will perform the
6 service for an institution of higher education or an educational
7 institution other than an institution of higher education in the
8 second of the academic years or terms, unless a denial is required
9 as a condition for full tax credit against the tax imposed by the
10 federal unemployment tax act, ~~chapter 23 of subtitle C of the~~
11 ~~internal revenue code of 1986,~~ 26 U.S.C. **USC** 3301 to 3311.

12 (6) For benefit years established before ~~the conversion date~~
13 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, and notwithstanding
14 subdivisions (1), (2), and (3), the denial of benefits does not
15 prevent an individual from completing requalifying weeks in
16 accordance with section 29(3) nor does the denial prevent an
17 individual from receiving benefits based on service with an
18 employer other than an educational institution for any week of
19 unemployment occurring between academic years or terms, whether or
20 not successive, or during an established and customary vacation
21 period or holiday recess, even though the employer is not the most
22 recent chargeable employer in the individual's base period.
23 However, in that case section 20(b) applies to the sequence of
24 benefit charging, except for the employment with the educational
25 institution, and section 50(b) applies to the calculation of credit
26 weeks. When a denial of benefits under subdivision (1) no longer
27 applies, benefits shall be charged in accordance with the normal

1 sequence of charging as provided in section 20(b).

2 (7) For benefit years beginning ~~after the conversion date~~
3 ~~prescribed in section 75~~ **ON OR AFTER OCTOBER 1, 2000**, and
4 notwithstanding subdivisions (1), (2), and (3), the denial of
5 benefits shall not prevent an individual from completing
6 requalifying weeks in accordance with section 29(3) nor shall the
7 denial prevent an individual from receiving benefits based on
8 service with another base period employer other than an educational
9 institution for any week of unemployment occurring between academic
10 years or terms, whether or not successive, or during an established
11 and customary vacation period or holiday recess. However, when
12 benefits are paid based on service with 1 or more base period
13 employers other than an educational institution, the individual's
14 weekly benefit rate shall be calculated in accordance with
15 subsection (b)(1) but during the denial period the individual's
16 weekly benefit payment shall be reduced by the portion of the
17 payment attributable to base period wages paid by an educational
18 institution and the account or experience account of the
19 educational institution shall not be charged for benefits payable
20 to the individual. When a denial of benefits under subdivision (1)
21 is no longer applicable, benefits shall be paid and charged on the
22 basis of base period wages with each of the base period employers
23 including the educational institution.

24 (8) For the purposes of this subsection, "academic year" means
25 that period, as defined by the educational institution, when
26 classes are in session for that length of time required for
27 students to receive sufficient instruction or earn sufficient

1 credit to complete academic requirements for a particular grade
2 level or to complete instruction in a noncredit course.

3 (9) In accordance with subdivisions (1), (2), and (3),
4 benefits for any week of unemployment shall be denied to an
5 individual who performed services described in subdivision (1),
6 (2), or (3) in an educational institution while in the employ of an
7 educational service agency. For the purpose of this subdivision,
8 "educational service agency" means a governmental agency or
9 governmental entity that is established and operated exclusively
10 for the purpose of providing the services to 1 or more educational
11 institutions.

12 (j) Benefits shall not be paid to an individual on the basis
13 of any base period services, substantially all of which consist of
14 participating in sports or athletic events or training or preparing
15 to participate, for a week that commences during the period between
16 2 successive sport seasons or similar periods if the individual
17 performed the services in the first of the seasons or similar
18 periods and there is a reasonable assurance that the individual
19 will perform the services in the later of the seasons or similar
20 periods.

21 (k)(1) Benefits shall not be payable on the basis of services
22 performed by an alien unless the alien is an individual who was
23 lawfully admitted for permanent residence at the time the services
24 were performed, was lawfully present for the purpose of performing
25 the services, or was permanently residing in the United States
26 under color of law at the time the services were performed,
27 including an alien who was lawfully present in the United States

1 under ~~section 212(d)(5) of the immigration and nationality act,~~
2 ~~chapter 477, 66 Stat. 182, 8 U.S.C. 1182~~ **8 USC 1182(D)(5)**.

3 (2) Any data or information required of individuals applying
4 for benefits to determine whether benefits are payable because of
5 their alien status are uniformly required from all applicants for
6 benefits.

7 (3) ~~Where~~ **IF** an ~~individual whose~~ **INDIVIDUAL'S** application
8 for benefits would otherwise be approved, a determination that
9 benefits to that individual are not payable because of the
10 individual's alien status shall not be made except upon a
11 preponderance of the evidence.

12 (m)(1) An individual filing a new claim for unemployment
13 compensation under this act, at the time of filing the claim, shall
14 disclose whether the individual owes child support obligations as
15 defined in this subsection. If an individual discloses that he or
16 she owes child support obligations and is determined to be eligible
17 for unemployment compensation, the commission shall notify the
18 state or local child support enforcement agency enforcing the
19 obligation that the individual has been determined to be eligible
20 for unemployment compensation.

21 (2) Notwithstanding section 30, the commission shall deduct
22 and withhold from any unemployment compensation payable to an
23 individual who owes child support obligations by using whichever of
24 the following methods results in the greatest amount:

25 (a) The amount, if any, specified by the individual to be
26 deducted and withheld under this subdivision.

27 (b) The amount, if any, determined pursuant to an agreement

1 submitted to the commission under ~~section 454(19)(B)(i) of part D~~
2 ~~of title IV of the social security act, 42 U.S.C. 654~~ **42 USC**
3 **654(19)(B)(i)**, by the state or local child support enforcement
4 agency.

5 (c) Any amount otherwise required to be deducted and withheld
6 from unemployment compensation pursuant to legal process, as that
7 term is defined in ~~section 462(e) of part D of title IV of the~~
8 ~~social security act, 42 U.S.C. 662~~ **42 USC 659(I)(5)**, properly
9 served upon the commission.

10 (3) The amount of unemployment compensation subject to
11 deduction under subdivision (2) is that portion that remains
12 payable to the individual after application of the recoupment
13 provisions of section 62(a) and the reduction provisions of
14 subsections (c) and (f).

15 (4) Any amount deducted and withheld under subdivision (2)
16 shall be paid by the commission to the appropriate state or local
17 child support enforcement agency.

18 (5) Any amount deducted and withheld under subdivision (2)
19 shall be treated for all purposes as if it were paid to the
20 individual as unemployment compensation and paid by the individual
21 to the state or local child support enforcement agency in
22 satisfaction of the individual's child support obligations.

23 (6) ~~This~~ **PROVISIONS CONCERNING DEDUCTIONS UNDER THIS**
24 subsection ~~applies~~ **APPLY** only if the state or local child support
25 enforcement agency agrees in writing to reimburse and does
26 reimburse the commission for the administrative costs incurred by
27 the commission under this subsection that are attributable to child

1 support obligations being enforced by the state or local child
2 support enforcement agency. The administrative costs incurred shall
3 be determined by the commission. The commission, in its discretion,
4 may require payment of administrative costs in advance.

5 (7) As used in this subsection:

6 (a) "Unemployment compensation", for purposes of subdivisions
7 (1) ~~through~~ TO (5), means any compensation payable under this
8 act, including amounts payable by the commission pursuant to an
9 agreement under any federal law providing for compensation,
10 assistance, or allowances with respect to unemployment.

11 (b) "Child support obligations" includes only obligations that
12 are being enforced pursuant to a plan described in ~~section 454 of~~
13 ~~part D of title IV of the social security act,~~ 42 U.S.C. USC
14 654, that has been approved by the secretary of health and human
15 services under ~~part D of title IV of the social security act,~~
16 ~~chapter 531, 49 Stat. 620,~~ 42 U.S.C. USC 651 to ~~655, 656 to~~
17 ~~660, and 663 to~~ 669b.

18 (c) "State or local child support enforcement agency" means
19 any agency of this state or a political subdivision of this state
20 operating pursuant to a plan described in subparagraph (b).

21 (n) Subsection (i)(2) applies to services performed by school
22 bus drivers employed by a private contributing employer holding a
23 contractual relationship with an educational institution, but only
24 if at least 75% of the individual's base period wages with that
25 employer are attributable to services performed as a school bus
26 driver.

27 (o)(1) For weeks of unemployment beginning after July 1, 1996,

1 unemployment benefits based on services by a seasonal worker
2 performed in seasonal employment shall be payable only for weeks of
3 unemployment that occur during the normal seasonal work period.
4 Benefits shall not be paid based on services performed in seasonal
5 employment for any week of unemployment beginning after March 28,
6 1996 that begins during the period between 2 successive normal
7 seasonal work periods to any individual if that individual performs
8 the service in the first of the normal seasonal work periods and if
9 there is a reasonable assurance that the individual will perform
10 the service for a seasonal employer in the second of the normal
11 seasonal work periods. If benefits are denied to an individual for
12 any week solely as a result of this subsection and the individual
13 is not offered an opportunity to perform in the second normal
14 seasonal work period for which reasonable assurance of employment
15 had been given, the individual is entitled to a retroactive payment
16 of benefits under this subsection for each week that the individual
17 previously filed a timely claim for benefits. An individual may
18 apply for any retroactive benefits under this subsection in
19 accordance with R 421.210 of the Michigan administrative code.

20 (2) Not less than 20 days before the estimated beginning date
21 of a normal seasonal work period, an employer may apply to the
22 commission in writing for designation as a seasonal employer. At
23 the time of application, the employer shall conspicuously display a
24 copy of the application on the employer's premises. Within 90 days
25 after receipt of the application, the commission shall determine if
26 the employer is a seasonal employer. A determination or
27 redetermination of the commission concerning the status of an

1 employer as a seasonal employer, or a decision of a referee or the
2 board of review, or of the courts of this state concerning the
3 status of an employer as a seasonal employer, which has become
4 final, together with the record thereof, may be introduced in any
5 proceeding involving a claim for benefits, and the facts found and
6 decision issued in the determination, redetermination, or decision
7 shall be conclusive unless substantial evidence to the contrary is
8 introduced by or on behalf of the claimant.

9 (3) If the employer is determined to be a seasonal employer,
10 the employer shall conspicuously display on its premises a notice
11 of the determination and the beginning and ending dates of the
12 employer's normal seasonal work periods. The notice shall be
13 furnished by the commission. The notice shall additionally specify
14 that an employee must timely apply for unemployment benefits at the
15 end of a first seasonal work period to preserve his or her right to
16 receive retroactive unemployment benefits ~~in the event that~~ **IF** he
17 or she is not reemployed by the seasonal employer in the second of
18 the normal seasonal work periods.

19 (4) The commission may issue a determination terminating an
20 employer's status as a seasonal employer on the commission's own
21 motion for good cause, or upon the written request of the employer.
22 A termination determination under this subdivision terminates an
23 employer's status as a seasonal employer, and shall become
24 effective on the beginning date of the normal seasonal work period
25 that would have immediately followed the date the commission issues
26 the determination. A determination under this subdivision is
27 subject to review in the same manner and to the same extent as any

1 other determination under this act.

2 (5) An employer whose status as a seasonal employer is
3 terminated under subdivision (4) may not reapply for a seasonal
4 employer status determination until after a regularly recurring
5 normal seasonal work period has begun and ended.

6 (6) If a seasonal employer informs an employee who received
7 assurance of being rehired that, despite the assurance, the
8 employee will not be rehired at the beginning of the employer's
9 next normal seasonal work period, this subsection ~~shall~~ **DOES** not
10 prevent the employee from receiving unemployment benefits in the
11 same manner and to the same extent he or she would receive benefits
12 under this act from an employer who has not been determined to be a
13 seasonal employer.

14 (7) A successor of a seasonal employer is considered to be a
15 seasonal employer unless the successor provides the commission,
16 within 120 days after the transfer, with a written request for
17 termination of its status as a seasonal employer in accordance with
18 subdivision (4).

19 (8) At the time an employee is hired by a seasonal employer,
20 the employer shall notify the employee in writing ~~whether~~ **IF** the
21 employee will be a seasonal worker. The employer shall provide the
22 worker with written notice of any subsequent change in the
23 employee's status as a seasonal worker. If an employee of a
24 seasonal employer is denied benefits because that employee is a
25 seasonal worker, the employee may contest that designation in
26 accordance with section 32a.

27 (9) As used in this subsection:

1 (a) "Construction industry" means the work activity designated
2 in sector group 23 -- construction of the North American
3 classification system -- United States office of management and
4 budget, 1997 edition.

5 (b) "Normal seasonal work period" means that period or those
6 periods of time determined pursuant to rules promulgated by the
7 commission during which an individual is employed in seasonal
8 employment.

9 (c) "Seasonal employment" means the employment of 1 or more
10 individuals primarily hired to perform services in an industry,
11 other than the construction industry, that does either of the
12 following:

13 (1) Customarily operates during regularly recurring periods of
14 26 weeks or less in any 52-consecutive-week period.

15 (2) Customarily employs at least 50% of its employees for
16 regularly recurring periods of 26 weeks or less within a period of
17 52 consecutive weeks.

18 (d) "Seasonal employer" means an employer, other than an
19 employer in the construction industry, who applies to the
20 commission for designation as a seasonal employer and who the
21 commission determines to be an employer whose operations and
22 business are substantially engaged in seasonal employment.

23 (e) "Seasonal worker" means a worker who has been paid wages
24 by a seasonal employer for work performed only during the normal
25 seasonal work period.

26 (10) If this subsection is found by the United States
27 department of labor to be contrary to the federal unemployment tax

1 act, ~~chapter 23 of the internal revenue code of 1986,~~ 26 U.S.C.
2 USC 3301 to 3311, or the social security act, ~~chapter 531,~~ 49
3 Stat. ~~620~~ **42 USC 301 TO 1397JJ**, and if conformity with the federal
4 law is required as a condition for full tax credit against the tax
5 imposed under the federal unemployment tax act or as a condition
6 for receipt by the commission of federal administrative grant funds
7 under the social security act, this subsection shall be invalid.

8 (p) Benefits shall not be paid to an individual based upon his
9 or her services as a school crossing guard for any week of
10 unemployment that begins between 2 successive academic years or
11 terms, if that individual performs the services of a school
12 crossing guard in the first of the academic years or terms and has
13 a reasonable assurance that he or she will perform those services
14 in the second of the academic years or terms.