

# SENATE BILL No. 141

February 5, 2013, Introduced by Senators GREGORY, SMITH, BIEDA, JOHNSON, HOPGOOD, ANDERSON, YOUNG and HUNTER and referred to the Committee on Reforms, Restructuring and Reinventing.

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," (MCL 421.1 to 421.75) by adding section 27d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 27D. (1) AS USED IN THIS SECTION:

2 (A) "SELF-EMPLOYMENT ASSISTANCE ACTIVITIES" MEANS ACTIVITIES  
3 THAT ARE APPROVED BY THE UNEMPLOYMENT AGENCY, INCLUDING  
4 ENTREPRENEURIAL TRAINING, BUSINESS COUNSELING, AND TECHNICAL  
5 ASSISTANCE, IN WHICH AN INDIVIDUAL IDENTIFIED THROUGH A WORKER  
6 PROFILING SYSTEM AS LIKELY TO EXHAUST REGULAR UNEMPLOYMENT  
7 COMPENSATION PARTICIPATES FOR THE PURPOSE OF ESTABLISHING A  
8 BUSINESS AND BECOMING SELF-EMPLOYED.

9 (B) "SELF-EMPLOYMENT ASSISTANCE ALLOWANCE" MEANS AN ALLOWANCE,  
10 PAYABLE IN LIEU OF REGULAR UNEMPLOYMENT COMPENSATION AND FROM THE  
11 UNEMPLOYMENT COMPENSATION FUND ESTABLISHED UNDER SECTION 26 TO AN

1 INDIVIDUAL PARTICIPATING IN SELF-EMPLOYMENT ASSISTANCE ACTIVITIES  
2 WHO MEETS THE REQUIREMENTS OF THIS SECTION.

3 (C) "REGULAR UNEMPLOYMENT COMPENSATION" MEANS BENEFITS PAYABLE  
4 TO AN INDIVIDUAL UNDER THIS ACT, INCLUDING BENEFITS PAYABLE TO  
5 FEDERAL CIVILIAN EMPLOYEES AND TO EX-SERVICEMEMBERS PURSUANT TO 5  
6 USC 8501 TO 8525, OTHER THAN ADDITIONAL AND EXTENDED BENEFITS.

7 (D) "FULL-TIME BASIS" MEANS THE HOURS OF EMPLOYMENT  
8 ESTABLISHED FOR FULL-TIME EMPLOYMENT IN REGULATIONS PROMULGATED BY  
9 THE UNEMPLOYMENT AGENCY PURSUANT TO THE ADMINISTRATIVE PROCEDURES  
10 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

11 (2) THE WEEKLY SELF-EMPLOYMENT ASSISTANCE ALLOWANCE PAYABLE  
12 UNDER THIS SECTION IS EQUAL TO THE WEEKLY BENEFIT AMOUNT FOR  
13 REGULAR UNEMPLOYMENT COMPENSATION OTHERWISE PAYABLE UNDER SECTION  
14 27. THE TOTAL OF THE ALLOWANCE PAID UNDER THIS SECTION PLUS THE  
15 REGULAR UNEMPLOYMENT COMPENSATION PAID UNDER THIS ACT WITH RESPECT  
16 TO ANY BENEFIT YEAR SHALL NOT EXCEED THE MAXIMUM BENEFIT AMOUNT AS  
17 ESTABLISHED UNDER SECTION 27 WITH RESPECT TO THAT BENEFIT YEAR.

18 (3) THE SELF-EMPLOYMENT ASSISTANCE ALLOWANCE IS PAYABLE AT THE  
19 SAME INTERVAL, ON THE SAME TERMS, AND SUBJECT TO THE SAME  
20 CONDITIONS AS REGULAR UNEMPLOYMENT COMPENSATION UNDER THIS ACT,  
21 EXCEPT FOR ALL OF THE FOLLOWING:

22 (A) THE REQUIREMENTS OF SECTION 28(1)(C) RELATING TO  
23 AVAILABILITY FOR WORK, SECTION 28(1)(A) RELATING TO ACTIVE SEARCH  
24 FOR WORK, AND SECTION 29(1)(E) RELATING TO REFUSAL TO ACCEPT WORK  
25 ARE NOT APPLICABLE TO THE INDIVIDUAL.

26 (B) THE REQUIREMENTS OF SECTION 27(C)(2) RELATING TO EARNED  
27 INCOME DO NOT APPLY TO INCOME EARNED FROM SELF-EMPLOYMENT BY THE

1 INDIVIDUAL.

2 (C) AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION  
3 IS CONSIDERED TO BE UNEMPLOYED UNDER SECTION 48.

4 (D) AN INDIVIDUAL WHO FAILS TO PARTICIPATE IN SELF-EMPLOYMENT  
5 ASSISTANCE ACTIVITIES OR WHO FAILS TO ACTIVELY ENGAGE ON A FULL-  
6 TIME BASIS IN ACTIVITIES, INCLUDING TRAINING, RELATING TO THE  
7 ESTABLISHMENT OF A BUSINESS AND BECOMING SELF-EMPLOYED IS  
8 DISQUALIFIED FROM RECEIVING AN ALLOWANCE UNDER THIS SECTION FOR THE  
9 WEEK THE FAILURE OCCURS.

10 (4) THE AGGREGATE NUMBER OF INDIVIDUALS RECEIVING THE  
11 ALLOWANCE UNDER THIS SECTION AT ANY TIME SHALL NOT EXCEED 5% OF THE  
12 NUMBER OF INDIVIDUALS RECEIVING REGULAR UNEMPLOYMENT COMPENSATION.  
13 THE UNEMPLOYMENT AGENCY SHALL PRESCRIBE GUIDELINES FOR ACTIONS THAT  
14 ARE NECESSARY TO ASSURE THE REQUIREMENTS OF THIS SUBSECTION ARE  
15 MET.

16 (5) ALLOWANCES PAID UNDER THIS SECTION SHALL BE CHARGED TO  
17 EMPLOYERS AS PROVIDED UNDER THIS ACT FOR CHARGING REGULAR  
18 UNEMPLOYMENT COMPENSATION.

19 (6) THE SELF-EMPLOYMENT ASSISTANCE PROGRAM SHALL NOT RESULT IN  
20 ANY COST TO THE UNEMPLOYMENT TRUST FUND IN EXCESS OF THE COST THAT  
21 WOULD BE INCURRED BY THIS STATE AND CHARGED TO THE FUND IF THE  
22 PROGRAM HAD NOT BEEN OPERATED.

23 (7) SELF-EMPLOYMENT ASSISTANCE ALLOWANCES PAID UNDER THIS  
24 SECTION SHALL BE PAID IN ACCORDANCE WITH ANY ADDITIONAL PROGRAM  
25 REQUIREMENTS ESTABLISHED BY THE SECRETARY OF LABOR PURSUANT TO 26  
26 USC 3306(T).

27 (8) THIS SECTION APPLIES TO BENEFIT WEEKS BEGINNING AFTER

1 JANUARY 4, 2014.