

# HOUSE RESEARCH

## Bill Summary

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### Article 1

#### Federal Conformity

- 1 **Limitation on exceptions.** Provides for penalties when an employer's pattern of failing to provide timely or adequate information to the commissioner on applicants' eligibility for benefits results in overpayments of benefits. Specifies that the penalty is equal to the amount of overpaid benefits. Directs that penalties be deposited in the UI trust fund.
- 2 **Overpayment because of fraud.** Directs that fraud-related penalties are deposited in the trust fund rather than the administration account.
- 3 **Administrative penalties.** Clarifies language related to administrative penalties and changes the requirement that penalties be deposited in the trust fund rather than the contingent account.

### Article 2

#### Policy Changes

- 1 **Penalties; application.** Requires that penalties be deposited in the trust fund rather than the administration account.
- 2 **Experience rating history transfer.** Requires that penalties be deposited in the trust fund rather than the administration account.
- 3 **Tax rate for new employers.** Provides that the "new" employer tax rate applies to existing employers only if the employer has registered for a tax account and for each of the five quarters after registering, has filed a "no wages paid" report, or has for 14 consecutive quarters, filed quarterly "no wages paid" reports.
- 4 **Deductible earnings.** Reduces from 55 percent to 50 percent the amount of earnings that are used to reduce an applicant's UI benefits.

- 5 **Interest.** Directs that interest payments be deposited in the trust fund rather than the administration account.
- 6 **Cancellation of overpayments.** Reduces from 15 years to 10 years the amount of time that must pass before the commissioner must cancel overpayment, penalty, and interest balances.
- 7 **Agreements not allowed.** Puts into statutory language a prohibition on agreements by employers not to contest the payment of benefits in exchange for an employee's agreement to quit voluntarily, take a leave of absence, leave employment temporarily or permanently, or withdraw a grievance or appeal of termination. Specifies that agreements in violation of this section have no effect.

### Article 3

#### Housekeeping

- 1 **Electronic submission.** Clarifies electronic submission to mean a communication via telephone, facsimile transmission, or online.
- 2 **Noncovered employment.** Clarifies current law language regarding unclassified positions in state employment that are noncovered employment. Also specifies that employment of an individual providing direct care to an immediate family member that is funded under section 256B.0659 (related to personal care attendants) is noncovered employment.
- 3 **Employer registration.** Clarifies language relating to terminating businesses and businesses with terminated accounts that recommence operations.
- 4 **Wage detail report.** Technical; corrects cross reference.
- 5 **Unemployment benefits paid from state funds.** Provides that entitlement to benefits to be determined without regard to a burden of proof.
- 6 **Benefit account requirements.** Provides that to establish a new benefit account within 52 weeks of expiration of previous account's benefit year, applicant must have covered employment and wages in one or more completed calendar quarters. Specifies when new benefit account can be established.
- 7 **Athletes and coaches.** Clarifies the difference in unemployment benefit eligibility of coaches whose sole employment with an educational institution is as a coach, and coaches who have other employment with an educational institution.
- 8 **Available for suitable employment defined.** Specifies that being available for suitable employment means that an applicant is ready, willing, and able to accept suitable employment. Current law requires that an applicant is ready and willing to accept suitable employment.
- 9 **Employment misconduct.** Adds language that determinations and decisions regarding appeals of benefit ineligibility do not require specific acknowledgement or explanation of the requirement that in cases in which an applicant is terminated based on conduct involving only a single incident, that fact must be considered in deciding whether the conduct qualifies as misconduct.
- 10 **Commissioner's discretion.** Replaces reference to "telephone" with reference to facsimile transmission.
- 11 **Definitions.** Technical and clarifying language regarding extended unemployment benefits.
- 12 **Court fees; collection fees.** Provides that if the Internal Revenue Service imposes a fee for offsetting any overpayment (not just fraud overpayments under current law) from a federal tax refund, then

amount of the fee may be added to the total amount due.

- 13**      **Notification and misreporting penalties.** Updates a statutory reference.
- 14**      **Establishment.** Aligns language directing deposit of money into the UI trust fund rather than the contingent or other accounts.
- 15**      **Revisor instruction.** Directs the Revisor to update specified terms and phrases, renumber and make necessary cross-reference changes.
- 16**      **Repealer.**
- 17**      **Effective date.**