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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE No. 4

January 12, 2009

Authored by Mahoney, Rukavina, Davnie, Gunther, Nelson and others The bill was read for the first time and referred to the Committee on Commerce and Labor

January 15, 2009

Committee Recommendation and Adoption of Report: To Pass as Amended and re-referred to the Committee on Finance

January 22, 2009

Committee Recommendation and Adoption of Report: To Pass and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to unemployment compensation; providing for a new base period for
1.3 calculating benefits; providing for a limited extension of benefits; amending
1.4 Minnesota Statutes 2008, section 268.035, subdivision 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 268.035, subdivision 4, is amended to read:

1.7 Subd. 4. Base period. (a) "Base period" , unless otherwise provided in this
1.8 subdivision, means: the last four completed calendar quarters before the effective date of
1.9 an applicant's application for unemployment benefits if the application has an effective
1.10 date occurring after the month following the last completed calendar quarter. The base
1.11 period under this paragraph is as follows:

Table with 2 columns: 'If the application for unemployment benefits is effective on or between these dates:' and 'The base period is the prior:'. Rows include date ranges like February 1 - March 31, May 1 - June 30, August 1 - September 30, November 1 - December 31 and corresponding base periods like January 1 - December 31, April 1 - March 31, July 1 - June 30, October 1 - September 30.

1.19 (b) If an application for unemployment benefits has an effective date that is
1.20 during the month following the last completed calendar quarter, then the base period is
1.21 the first four of the last five completed calendar quarters before the effective date of an
1.22 applicant's application for unemployment benefits. The base period under this paragraph
1.23 is as set forth below follows:

2.1	If the application for unemployment	The base period is the prior:
2.2	benefits is effective on or between these	
2.3	dates:	
2.4	January 1 - <del>March 31</del> <u>January 31</u>	October 1 - September 30
2.5	April 1 - <del>June 30</del> <u>April 30</u>	January 1 - December 31
2.6	July 1 - <del>September 30</del> <u>July 31</u>	April 1 - March 31
2.7	October 1 - <del>December 31</del> <u>October 31</u>	July 1 - June 30

2.8 ~~(2)~~ (c) If the applicant has insufficient wage credits to establish a benefit account  
 2.9 under ~~clauses (1) and (3), and paragraph (a) or (b), but~~ during the base period under  
 2.10 ~~clause (1) paragraph (a) or (b)~~ an applicant received workers' compensation for temporary  
 2.11 disability under chapter 176 or a similar federal law or similar law of another state, or  
 2.12 if an applicant whose own serious illness caused a loss of work for which the applicant  
 2.13 received compensation for loss of wages from some other source, the applicant may  
 2.14 request an extended base period as follows:

2.15 ~~(i)~~ (1) if an applicant was compensated for a loss of work of seven to 13 weeks, the  
 2.16 base period is the first four of the last six completed calendar quarters before the effective  
 2.17 date of the application for unemployment benefits;

2.18 ~~(ii)~~ (2) if an applicant was compensated for a loss of work of 14 to 26 weeks, the  
 2.19 base period is the first four of the last seven completed calendar quarters before the  
 2.20 effective date of the application for unemployment benefits;

2.21 ~~(iii)~~ (3) if an applicant was compensated for a loss of work of 27 to 39 weeks,  
 2.22 the base period is the first four of the last eight completed calendar quarters before the  
 2.23 effective date of the application for unemployment benefits; and

2.24 ~~(iv)~~ (4) if an applicant was compensated for a loss of work of 40 to 52 weeks, the  
 2.25 base period is the first four of the last nine completed calendar quarters before the effective  
 2.26 date of the application for unemployment benefits;

2.27 ~~(3) if the applicant has insufficient wage credits to establish a benefit account under~~  
 2.28 ~~clause (1), an alternate base period of the last four completed calendar quarters before the~~  
 2.29 ~~date the applicant's application for unemployment benefits is effective will be used. This~~  
 2.30 ~~base period can be used only 30 calendar days or more after the end of the last completed~~  
 2.31 ~~quarter, when a wage detail report has been, or should have been, filed for that quarter~~  
 2.32 ~~under section 268.044; and~~

2.33 ~~(4)~~ (d) No base period under ~~clause (1), (2), or (3) paragraph (a), (b), or (c)~~ may  
 2.34 include wage credits upon which a prior benefit account was established.

2.35 (e) Notwithstanding paragraph (a), the base period calculated under paragraph (b)  
 2.36 using the first four of the last five complete calendar quarters before the effective date of  
 2.37 the applicant's application for unemployment benefits must be used for an applicant if the

3.1 applicant has more wage credits under that base period than under the base period in  
3.2 paragraph (a).

3.3 **EFFECTIVE DATE.** This section is effective for applications for unemployment  
3.4 benefits filed effective on or after July 1, 2009.

3.5 Sec. 2. **SPECIAL STATE EMERGENCY UNEMPLOYMENT COMPENSATION**  
3.6 **PROGRAM.**

3.7 Subdivision 1. **Purpose.** Federal law currently provides for a federally funded  
3.8 extension of unemployment insurance benefits for applicants who have exhausted  
3.9 entitlement to regular Minnesota unemployment insurance benefits. But, because federal  
3.10 law contains a special requirement that an applicant has earned a certain amount of base  
3.11 period insured wages, a significant group of applicants who exhausted their regular  
3.12 Minnesota unemployment insurance benefits do not qualify for the federally funded  
3.13 extension. The purpose of this section is to provide a state-funded extension to that group.

3.14 Subd. 2. **Eligibility.** (a) Special state emergency unemployment insurance benefits  
3.15 are payable to an applicant who does not qualify for a federally funded extension  
3.16 of unemployment insurance benefits solely because the applicant does not meet the  
3.17 requirement under section 4001(d)(2)(a) of the federal Supplemental Appropriations  
3.18 Act of 2008 that an applicant have wage credits of not less than 40 times the applicant's  
3.19 weekly benefit amount.

3.20 (b) Except as provided in paragraph (a), all requirements for federally funded  
3.21 extended unemployment benefits and all requirements of Minnesota Statutes, chapter  
3.22 268, must be met in order for the applicant to be eligible for special state emergency  
3.23 unemployment insurance benefits.

3.24 (c) Special state emergency unemployment insurance benefits are payable in the  
3.25 same amounts, the same duration, and for the same time period as provided for under the  
3.26 federal Supplemental Appropriations Act of 2008, and any later amendments.

3.27 Subd. 3. **Payment from trust fund.** Special state emergency unemployment  
3.28 insurance benefits are payable from the Minnesota unemployment insurance trust fund.  
3.29 Special state emergency unemployment insurance benefits will not be used in computing  
3.30 the future unemployment insurance tax rate of a taxpaying employer nor will they be  
3.31 charged to the reimbursing account of government or nonprofit employers.

3.32 Subd. 4. **Expiration.** This section expires on June 30, 2010, and no benefits shall be  
3.33 paid under this section for a week beginning after that date.

4.1 **EFFECTIVE DATE.** This section is effective the Sunday following final enactment  
4.2 and applies only to weeks of unemployment after that date.