

SENATE BILL 580

By Haile

AN ACT to amend Tennessee Code Annotated, Title 50,
Chapter 7, relative to self-employment assistance
for individuals eligible for unemployment benefits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 7, is amended by adding Sections 2 through 8 as a new part:

SECTION 2. As used in this part, unless the context otherwise requires:

(1) "Full-time basis" shall have the meaning contained in regulations promulgated by the commissioner of labor and workforce development;

(2) "Regular unemployment compensation" means the benefits payable to an individual under this chapter, including benefits payable to federal civilian employees and to ex-service members pursuant to 5 U.S.C. Chapter 85, but not including additional benefits and extended benefits as defined in § 50-7-305;

(3) "Self-employment assistance activities" means activities approved by the commissioner in which an individual identified through a worker profiling system as likely to exhaust regular unemployment compensation participates for the purpose of establishing a business and becoming self-employed. "Self-employment assistance activities" include, but are not limited to, entrepreneurial training, business counseling, the process of applying for grants to assist in the startup of a small business, and technical assistance; and

(4) "Self-employment assistance allowance" means an allowance, payable in lieu of regular unemployment compensation, from the unemployment compensation fund, established under § 50-7-501, to an individual participating in self-employment assistance activities who meets the requirements of this part.

SECTION 3.

(a) The weekly amount of a self-employment assistance allowance payable to an individual under this part shall be equal to the weekly benefit amount for regular unemployment compensation otherwise payable under § 50-7-301.

(b) The sum of the self-employment assistance allowance paid under this part and the regular unemployment compensation paid under this chapter with respect to any benefit year shall not exceed the maximum benefit amount as established by this chapter with respect to such benefit year.

SECTION 4. A self-employment assistance allowance shall be payable to an individual at the same interval, on the same terms, and subject to the same conditions as regular unemployment compensation under this chapter, except that:

(1) The requirements of § 50-7-302 relating to availability for work and active search for work are not applicable to such individual;

(2) The requirements of § 50-7-303 relating to refusal to accept work are not applicable to such individual;

(3) The requirements of this chapter relating to self-employment income are not applicable to income earned from self-employment by such individual;

(4) An individual who meets the requirements of this part shall be considered to be unemployed under § 50-7-211; and

(5) An individual who fails to participate in self-employment assistance activities or who fails to actively engage on a full-time basis in activities relating to the establishment of a business and becoming self-employed shall be disqualified for the week such failure occurs.

SECTION 5. The aggregate number of individuals receiving the allowance under this part at any time shall not exceed five percent (5%) of the number of individuals receiving regular unemployment compensation. The commissioner of labor and workforce development shall,

through regulations, prescribe such actions as are necessary to assure the requirements of this section are met.

SECTION 6. Self-employment assistance allowances shall be charged to employers as provided under part 4 or this chapter relating to the charging of regular unemployment compensation.

SECTION 7. The self-employment assistance program shall not result in any cost to the unemployment compensation fund, established under § 50-7-501, in excess of the cost that would be incurred by the state and charged to the fund had the program not been operated.

SECTION 8. Self-employment assistance allowances paid under this part shall be paid in accordance with any additional program requirements established by the secretary of labor pursuant to 26 U.S.C. § 3306(t).

SECTION 9. This act shall take effect upon becoming a law and shall apply to claims for unemployment compensation based on weeks beginning after July 1, 2013, the public welfare requiring it.