

HB 1713 -- SHARED WORK UNEMPLOYMENT COMPENSATION PROGRAM

SPONSOR: Lauer

COMMITTEE ACTION: Voted "Do Pass - Federal Mandate" by the Committee on Workforce Development and Workplace Safety by a vote of 10 to 0.

This bill changes the laws regarding the Shared Work Unemployment Compensation Program. In its main provisions, the bill:

(1) Includes within the definition of "fringe benefit," for purposes of the program, the terms "defined benefit pension plan" and "defined contribution plan" as those terms are defined in the Internal Revenue Code;

(2) Amends and increases the conditions under which a shared work plan will receive approval from the Division of Employment Security, including:

(a) Changing the percentage parameters by which a shared work plan can reduce the normal weekly hours of an employee in an affected unit from not less than 20% nor more than 40% to not less than 10% nor more than 60%;

(b) Requiring the employer to certify that, if the employer provides fringe benefits to any employee in the affected unit, those benefits will continue to be provided to employees participating in the shared work unemployment compensation program under the same terms and conditions as though normal weekly hours of work had not been reduced, or to the same extent as other employees not participating in the program;

(c) Requiring the plan to include an estimate of the number of employees who would be laid off if the employer does not participate in the program;

(d) Requiring the plan to describe the manner in which employees in the affected unit will be notified of the employer's participation in the program. If advance notice is not to be provided, the plan must explain why it is not feasible to provide advance notice;

(e) Requiring the employer to certify that participation in the plan and its implementation is consistent with the employer's obligation under applicable federal and state law; and

(f) Any other provision that the United States Secretary of Labor determines to be appropriate for the purpose of the program;

(3) Repeals the provision that a shared work plan cannot subsidize employers when at least 50% of the employees have normal weekly hours of work of 32 hours or less;

(4) Clarifies that an individual otherwise entitled to receive unemployment compensation benefits will be eligible to receive shared work benefits if the individual is able to work and available to work his or her normal hours of work;

(5) Prohibits the division from denying shared work benefits for any week to an otherwise eligible individual by reason of provisions of the unemployment compensation laws that relate to training that is approved by the director;

(6) Repeals the prohibition against an individual receiving shared work benefits for any week in which the individual performs paid work for the employer in excess of the reduced hours under the plan; and

(7) Repeals the requirement that all benefits paid under a shared work plan which are chargeable to a participating employer or any other base period employer of a participating employee must be charged to the account of the participating employer under the plan.

If the United States Secretary of Labor determines that any provision of the shared work unemployment compensation laws are not in compliance with federal law, the noncompliant provision will not affect the validity of the remaining provisions.

The bill contains an emergency clause.

PROPOSERS: Supporters say that this program helps employers retain trained employees, is voluntary on the part of employers, and saves the state money by keeping employees from being laid off and receiving full unemployment benefits. If the state does not expand the program to cover more employees as federally mandated, then the state cannot offer or use the program at all.

Testifying for the bill were Representative Lauer; Missouri Department of Labor and Industrial Relations; Associated Industries of Missouri; Charles Yarbrough, Tyson Foods, and Missouri State Unemployment Council; Missouri Chamber of Commerce and Industry; Missouri AFL-CIO; Missouri Poultry Federation; and the Department of Economic Development.

OPPOSERS: There was no opposition voiced to the committee.