

CHAPTER 27—S.F.No. 1454

An act relating to unemployment insurance; providing for a shared work plan; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2008, section 268.135.

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

Section 1. **[268.136] SHARED WORK.**

Subdivision 1. **Shared work agreement requirements.** (a) An employer may submit a proposed shared work plan for an employee group to the commissioner for approval in a manner and format set by the commissioner. The proposed agreement must include:

(1) a certified statement that the normal weekly hours of work of all of the proposed participating employees was full-time but are now reduced, or will be reduced, with a corresponding reduction in pay, in order to prevent layoffs;

(2) the name and Social Security number of each participating employee;

(3) a certified statement of when each participating employee was first hired by the employer, which must be at least one year before the proposed agreement is submitted;

(4) the hours of work each participating employee will work each week for the duration of the agreement, which must be at least 20 hours and no more than 32 hours per week, except that the agreement may provide for a uniform vacation shutdown of up to two weeks;

(5) the proposed duration of the agreement, which must be at least two months and not more than one year, although an agreement may be extended for up to an additional year upon approval of the commissioner;

(6) a starting date beginning on a Sunday at least 15 calendar days after the date the proposed agreement is submitted; and

(7) a signature of an owner or officer of the employer who is listed as an owner or officer on the employer's account under section 268.045.

(b) An agreement may not be approved for an employer that:

(1) has any unemployment tax or reimbursements, including any interest, fees, or penalties, due but unpaid;

(2) has the maximum experience rating provided for under section 268.051, subdivision 3; or

(3) is in a high-experience rating industry as defined in section 268.051, subdivision 5.

Subd. 2. **Agreement by commissioner.** (a) The commissioner must promptly review a proposed agreement and notify the employer, by mail or electronic transmission, within 15 days of receipt, whether the proposal satisfies the requirements of this section. If the proposal does not comply with this section, the commissioner must specifically state why the proposal is not in compliance. If a proposed agreement complies with this section, it must be implemented according to its terms.

(b) The commissioner may reject an agreement if the commissioner has cause to believe the proposal is not submitted for the purpose of preventing layoffs due to lack of work.

Subd. 3. **Applicant requirements.** (a) An applicant, in order to be paid unemployment benefits under this section, must meet all of the requirements under section 268.069, subdivision 1. The following do not apply to an applicant under this section:

(1) the deductible earnings provision of section 268.085, subdivision 5;

(2) the restriction under section 268.085, subdivision 6, if the applicant works exactly 32 hours in a week;

(3) the requirement of being available for suitable employment; and

(4) the requirement of actively seeking suitable employment.

(b) An applicant is ineligible for unemployment benefits under this section for any week, if:

(1) the applicant works more than 32 hours in a week in employment with one or more employer; or

(2) the applicant works more hours in a week for the shared work employer than the reduced weekly hours provided for in the agreement.

Subd. 4. **Amount of unemployment benefits available.** The weekly benefit amount and maximum amount of unemployment benefits available are computed according to section 268.07, except that an applicant is paid a reduced amount in direct proportion to the reduction in hours from the normal weekly hours.

Subd. 5. **Cancellation.** (a) An employer may cancel an agreement at any time upon seven calendar days' notice to the commissioner in a manner and format prescribed by the commissioner. The cancellation must be signed by an owner or officer of the employer.

(b) An employer that cancels an agreement must provide written notice to each participating employee in the group of the cancellation at the time notice is sent to the commissioner.

(c) If an employer cancels an agreement before the expiration date provided for in subdivision 1, a new agreement may not be entered into with that employer under this section for at least 60 calendar days.

(d) The commissioner may immediately cancel any agreement if the commissioner determines the agreement was based upon false information or the employer is in breach of the contract. The commissioner must immediately send written notice of cancellation to the employer. An employer that receives notice of cancellation by the commissioner must provide written notice to each participating employer in the group of the cancellation.

EFFECTIVE DATE. This section is effective August 2, 2009, except that the one-year extension of shared work agreements authorized in subdivision 1, paragraph (a), clause (5), is effective retroactively from January 1, 2009.

Sec. 2. **REPEALER.**

Minnesota Statutes 2008, section 268.135, is repealed, except that Minnesota Statutes, section 268.135, applies to a shared work agreement approved by the commissioner before August 2, 2009, until the expiration of that shared work plan.

EFFECTIVE DATE. This section is effective August 2, 2009.

Presented to the governor April 27, 2009

Signed by the governor April 30, 2009, 4:17 p.m.