

184.20

ARTICLE 10

184.21

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY

184.22 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 12, is amended to read:

184.23 Subd. 12. **Covered employment.** (a) "Covered employment" means the following unless  
184.24 excluded as "noncovered employment" under subdivision 20:

184.25 (1) an employee's entire employment during the calendar quarter if:

184.26 (i) (1) 50 percent or more of the employment during the quarter is performed primarily  
184.27 in Minnesota;

184.28 (ii) (2) 50 percent or more of the employment during the quarter is not performed  
184.29 primarily in Minnesota or any other state, or Canada, but some of the employment is  
184.30 performed in Minnesota and the base of operations or the place from which the employment  
184.31 is directed or controlled is in Minnesota; or

185.1 (iii) the employment during the quarter is not performed primarily in Minnesota or any  
185.2 other state and the base of operations or place from which the employment is directed or  
185.3 controlled is not in any state where part of the employment is performed, but the employee's  
185.4 residence is in Minnesota during 50 percent or more of the calendar quarter;

185.5 (2) an employee's entire employment during the calendar quarter performed within the  
185.6 United States or Canada, if:

185.7 (i) the employment is not covered employment under the unemployment insurance  
185.8 program of any other state, federal law, or the law of Canada; and

185.9 (ii) the place from which the employment is directed or controlled is in Minnesota;

185.10 (3) the employment during the calendar quarter is performed entirely outside the United  
185.11 States and Canada, by an employee who is a United States citizen in the employ of an  
185.12 American employer, if the employer's principal place of business in the United States is  
185.13 located in Minnesota. For the purposes of this clause, an "American employer," for the  
185.14 purposes of this clause, means a corporation organized under the laws of any state, an  
185.15 individual who is a resident of the United States, or a partnership if two thirds or more of  
185.16 the partners are residents of the United States, or a trust, if all of the trustees are residents  
185.17 of the United States is defined under the Federal Unemployment Tax Act, United States  
185.18 Code title 26, chapter 23, section 3306, subsection (j)(3); and or

185.19 (4) all the employment during the calendar quarter is performed by an officer or member  
185.20 of the crew of an American vessel on or in connection with the vessel, if the operating on  
185.21 navigable waters within, or within and without, the United States, and the office from which  
185.22 the operations of the vessel operating on navigable waters within, or within and without,  
185.23 the United States are ordinarily and regularly supervised, managed, directed, and controlled  
185.24 is in Minnesota.

1.10

ARTICLE 1

1.11

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY

1.12 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 12, is amended to read:

1.13 Subd. 12. **Covered employment.** (a) "Covered employment" means the following unless  
1.14 excluded as "noncovered employment" under subdivision 20:

1.15 (1) an employee's entire employment during the calendar quarter if:

1.16 (i) (1) 50 percent or more of the employment during the quarter is performed primarily  
1.17 in Minnesota;

1.18 (ii) (2) 50 percent or more of the employment during the quarter is not performed  
1.19 primarily in Minnesota or any other state, or Canada, but some of the employment is  
1.20 performed in Minnesota and the base of operations or the place from which the employment  
1.21 is directed or controlled is in Minnesota; or

1.22 (iii) the employment during the quarter is not performed primarily in Minnesota or any  
1.23 other state and the base of operations or place from which the employment is directed or  
2.1 controlled is not in any state where part of the employment is performed, but the employee's  
2.2 residence is in Minnesota during 50 percent or more of the calendar quarter;

2.3 (2) an employee's entire employment during the calendar quarter performed within the  
2.4 United States or Canada, if:

2.5 (i) the employment is not covered employment under the unemployment insurance  
2.6 program of any other state, federal law, or the law of Canada; and

2.7 (ii) the place from which the employment is directed or controlled is in Minnesota;

2.8 (3) the employment during the calendar quarter is performed entirely outside the United  
2.9 States and Canada, by an employee who is a United States citizen in the employ of an  
2.10 American employer, if the employer's principal place of business in the United States is  
2.11 located in Minnesota. For the purposes of this clause, an "American employer," for the  
2.12 purposes of this clause, means a corporation organized under the laws of any state, an  
2.13 individual who is a resident of the United States, or a partnership if two thirds or more of  
2.14 the partners are residents of the United States, or a trust, if all of the trustees are residents  
2.15 of the United States is defined under the Federal Unemployment Tax Act, United States  
2.16 Code title 26, chapter 23, section 3306, subsection (j)(3); and or

2.17 (4) all the employment during the calendar quarter is performed by an officer or member  
2.18 of the crew of an American vessel on or in connection with the vessel, if the operating on  
2.19 navigable waters within, or within and without, the United States, and the office from which  
2.20 the operations of the vessel operating on navigable waters within, or within and without,  
2.21 the United States are ordinarily and regularly supervised, managed, directed, and controlled  
2.22 is in Minnesota.

185.25 (b) "Covered employment" includes covered agricultural employment under subdivision  
185.26 11.

185.27 (c) For the purposes of section 268.095, "covered employment" includes employment  
185.28 covered under an unemployment insurance program:

185.29 (1) of any other state; ~~or~~

185.30 (2) established by an act of Congress; ~~or~~

185.31 (3) the law of Canada.

186.1 (d) The percentage of employment performed under paragraph (a) is determined by the  
186.2 amount of hours worked.

186.3 (e) Covered employment does not include any employment defined as "noncovered  
186.4 employment" under subdivision 20.

186.5 Sec. 2. Minnesota Statutes 2018, section 268.035, subdivision 20, is amended to read:

186.6 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

186.7 (1) employment for the United States government or an instrumentality thereof, including  
186.8 military service;

186.9 (2) employment for a state, other than Minnesota, or a political subdivision or  
186.10 instrumentality thereof;

186.11 (3) employment for a foreign government;

186.12 (4) employment covered under the federal Railroad Unemployment Insurance Act;

186.13 (5) employment for a church or convention or association of churches, or a nonprofit  
186.14 organization operated primarily for religious purposes that is operated, supervised, controlled,  
186.15 or principally supported by a church or convention or association of churches;

186.16 (6) employment for an elementary or secondary school with a curriculum that includes  
186.17 religious education that is operated by a church, a convention or association of churches,  
186.18 or a nonprofit organization that is operated, supervised, controlled, or principally supported  
186.19 by a church or convention or association of churches;

186.20 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
186.21 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member  
186.22 of a religious order in the exercise of duties required by the order;

186.23 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
186.24 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the  
186.25 purpose of carrying out a program of rehabilitation for individuals whose earning capacity  
186.26 is impaired by age or physical or mental deficiency or injury or a program providing  
186.27 "sheltered" work for individuals who because of an impaired physical or mental capacity

2.23 (b) "Covered employment" includes covered agricultural employment under subdivision  
2.24 11.

2.25 (c) For the purposes of section 268.095, "covered employment" includes employment  
2.26 covered under an unemployment insurance program:

2.27 (1) of any other state; ~~or~~

2.28 (2) established by an act of Congress; ~~or~~

2.29 (3) the law of Canada.

2.30 (d) The percentage of employment performed under paragraph (a) is determined by the  
2.31 amount of hours worked.

3.1 (e) Covered employment does not include any employment defined as "noncovered  
3.2 employment" under subdivision 20.

3.3 Sec. 2. Minnesota Statutes 2018, section 268.035, subdivision 20, is amended to read:

3.4 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

3.5 (1) employment for the United States government or an instrumentality thereof, including  
3.6 military service;

3.7 (2) employment for a state, other than Minnesota, or a political subdivision or  
3.8 instrumentality thereof;

3.9 (3) employment for a foreign government;

3.10 (4) employment covered under the federal Railroad Unemployment Insurance Act;

3.11 (5) employment for a church or convention or association of churches, or a nonprofit  
3.12 organization operated primarily for religious purposes that is operated, supervised, controlled,  
3.13 or principally supported by a church or convention or association of churches;

3.14 (6) employment for an elementary or secondary school with a curriculum that includes  
3.15 religious education that is operated by a church, a convention or association of churches,  
3.16 or a nonprofit organization that is operated, supervised, controlled, or principally supported  
3.17 by a church or convention or association of churches;

3.18 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
3.19 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member  
3.20 of a religious order in the exercise of duties required by the order;

3.21 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
3.22 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the  
3.23 purpose of carrying out a program of rehabilitation for individuals whose earning capacity  
3.24 is impaired by age or physical or mental deficiency or injury or a program providing  
3.25 "sheltered" work for individuals who because of an impaired physical or mental capacity

186.28 cannot be readily absorbed in the competitive labor market. This clause applies only to  
186.29 services performed in a facility certified by the Rehabilitation Services Branch of the  
186.30 department or in a day training or habilitation program licensed by the Department of Human  
186.31 Services;

187.1 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
187.2 an individual receiving work relief or work training as part of an unemployment work relief  
187.3 or work training program financed in whole or in part by any federal agency or an agency  
187.4 of a state or political subdivision thereof. This clause does not apply to programs that require  
187.5 unemployment benefit coverage for the participants;

187.6 (10) employment for Minnesota or a political subdivision, as an elected official, a member  
187.7 of a legislative body, or a member of the judiciary;

187.8 (11) employment as a member of the Minnesota National Guard or Air National Guard;

187.9 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of  
187.10 an individual serving on a temporary basis in case of fire, flood, tornado, or similar  
187.11 emergency;

187.12 (13) employment as an election official or election worker for Minnesota or a political  
187.13 subdivision, if the compensation for that employment was less than \$1,000 in a calendar  
187.14 year;

187.15 (14) employment for Minnesota that is a major policy-making or advisory position in  
187.16 the unclassified service;

187.17 (15) employment for Minnesota in an unclassified position established under section  
187.18 43A.08, subdivision 1a;

187.19 (16) employment for a political subdivision of Minnesota that is a nontenured major  
187.20 policy making or advisory position;

187.21 (17) domestic employment in a private household, local college club, or local chapter  
187.22 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the  
187.23 current or prior calendar year to all individuals in domestic employment totaled less than  
187.24 \$1,000.

187.25 "Domestic employment" includes all service in the operation and maintenance of a  
187.26 private household, for a local college club, or local chapter of a college fraternity or sorority  
187.27 as distinguished from service as an employee in the pursuit of an employer's trade or business;

187.28 (18) employment of an individual by a son, daughter, or spouse, and employment of a  
187.29 child under the age of 18 by the child's father or mother;

187.30 (19) employment of an inmate of a custodial or penal institution;

187.31 (20) employment for a school, college, or university, by a student who is enrolled and  
187.32 whose primary relation to the school, college, or university is as a student. This does not

3.26 cannot be readily absorbed in the competitive labor market. This clause applies only to  
3.27 services performed in a facility certified by the Rehabilitation Services Branch of the  
3.28 department or in a day training or habilitation program licensed by the Department of Human  
3.29 Services;

3.30 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
3.31 an individual receiving work relief or work training as part of an unemployment work relief  
3.32 or work training program financed in whole or in part by any federal agency or an agency  
4.1 of a state or political subdivision thereof. This clause does not apply to programs that require  
4.2 unemployment benefit coverage for the participants;

4.3 (10) employment for Minnesota or a political subdivision, as an elected official, a member  
4.4 of a legislative body, or a member of the judiciary;

4.5 (11) employment as a member of the Minnesota National Guard or Air National Guard;

4.6 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of  
4.7 an individual serving on a temporary basis in case of fire, flood, tornado, or similar  
4.8 emergency;

4.9 (13) employment as an election official or election worker for Minnesota or a political  
4.10 subdivision, if the compensation for that employment was less than \$1,000 in a calendar  
4.11 year;

4.12 (14) employment for Minnesota that is a major policy-making or advisory position in  
4.13 the unclassified service;

4.14 (15) employment for Minnesota in an unclassified position established under section  
4.15 43A.08, subdivision 1a;

4.16 (16) employment for a political subdivision of Minnesota that is a nontenured major  
4.17 policy making or advisory position;

4.18 (17) domestic employment in a private household, local college club, or local chapter  
4.19 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the  
4.20 current or prior calendar year to all individuals in domestic employment totaled less than  
4.21 \$1,000.

4.22 "Domestic employment" includes all service in the operation and maintenance of a  
4.23 private household, for a local college club, or local chapter of a college fraternity or sorority  
4.24 as distinguished from service as an employee in the pursuit of an employer's trade or business;

4.25 (18) employment of an individual by a son, daughter, or spouse, and employment of a  
4.26 child under the age of 18 by the child's father or mother;

4.27 (19) employment of an inmate of a custodial or penal institution;

4.28 (20) employment for a school, college, or university, by a student who is enrolled and  
4.29 whose primary relation to the school, college, or university is as a student. This does not

188.1 include an individual whose primary relation to the school, college, or university is as an  
188.2 employee who also takes courses;

188.3 (21) employment of an individual who is enrolled as a student in a full-time program at  
188.4 a nonprofit or public educational institution that maintains a regular faculty and curriculum  
188.5 and has a regularly organized body of students in attendance at the place where its educational  
188.6 activities are carried on, taken for credit at the institution, that combines academic instruction  
188.7 with work experience, if the employment is an integral part of the program, and the institution  
188.8 has so certified to the employer, except that this clause does not apply to employment in a  
188.9 program established for or on behalf of an employer or group of employers;

188.10 (22) employment of a foreign college or university student who works on a seasonal or  
188.11 temporary basis under the J-1 visa summer work travel program described in Code of Federal  
188.12 Regulations, title 22, section 62.32;

188.13 ~~(22)~~ (23) employment of university, college, or professional school students in an  
188.14 internship or other training program with the city of St. Paul or the city of Minneapolis  
188.15 under Laws 1990, chapter 570, article 6, section 3;

188.16 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an  
188.17 institution that has been licensed by the Department of Health as a hospital;

188.18 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by  
188.19 an individual who is enrolled and is regularly attending classes in an accredited nurses'  
188.20 training school;

188.21 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a  
188.22 four-year course in an accredited medical school;

188.23 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if  
188.24 all the wages from the employment is solely by way of commission. The word "insurance"  
188.25 includes an annuity and an optional annuity;

188.26 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's  
188.27 mutual insurance company under chapter 67A;

188.28 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including  
188.29 through a subsidiary or holding company, owns 25 percent or more of the employer  
188.30 corporation, and employment of a member of a limited liability company, if the member  
188.31 directly or indirectly, including through a subsidiary or holding company, owns 25 percent  
188.32 or more of the employer limited liability company;

189.1 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all  
189.2 the wages from the employment is solely by way of commission;

189.3 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section  
189.4 3508;

4.30 include an individual whose primary relation to the school, college, or university is as an  
4.31 employee who also takes courses;

5.1 (21) employment of an individual who is enrolled as a student in a full-time program at  
5.2 a nonprofit or public educational institution that maintains a regular faculty and curriculum  
5.3 and has a regularly organized body of students in attendance at the place where its educational  
5.4 activities are carried on, taken for credit at the institution, that combines academic instruction  
5.5 with work experience, if the employment is an integral part of the program, and the institution  
5.6 has so certified to the employer, except that this clause does not apply to employment in a  
5.7 program established for or on behalf of an employer or group of employers;

5.8 (22) employment of a foreign college or university student who works on a seasonal or  
5.9 temporary basis under the J-1 visa summer work travel program described in Code of Federal  
5.10 Regulations, title 22, section 62.32;

5.11 ~~(22)~~ (23) employment of university, college, or professional school students in an  
5.12 internship or other training program with the city of St. Paul or the city of Minneapolis  
5.13 under Laws 1990, chapter 570, article 6, section 3;

5.14 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an  
5.15 institution that has been licensed by the Department of Health as a hospital;

5.16 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by  
5.17 an individual who is enrolled and is regularly attending classes in an accredited nurses'  
5.18 training school;

5.19 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a  
5.20 four-year course in an accredited medical school;

5.21 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if  
5.22 all the wages from the employment is solely by way of commission. The word "insurance"  
5.23 includes an annuity and an optional annuity;

5.24 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's  
5.25 mutual insurance company under chapter 67A;

5.26 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including  
5.27 through a subsidiary or holding company, owns 25 percent or more of the employer  
5.28 corporation, and employment of a member of a limited liability company, if the member  
5.29 directly or indirectly, including through a subsidiary or holding company, owns 25 percent  
5.30 or more of the employer limited liability company;

5.31 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all  
5.32 the wages from the employment is solely by way of commission;

6.1 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section  
6.2 3508;

189.5 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution  
189.6 of newspapers or shopping news, not including delivery or distribution to any point for  
189.7 subsequent delivery or distribution;

189.8 ~~(32)~~ (33) casual employment performed for an individual, other than domestic  
189.9 employment under clause (17), that does not promote or advance that employer's trade or  
189.10 business;

189.11 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural  
189.12 employment" under subdivision 11; or

189.13 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered  
189.14 employment, all the employment for the pay period is covered employment; but if during  
189.15 more than one-half of any pay period the employment was noncovered employment, then  
189.16 all of the employment for the pay period is noncovered employment. "Pay period" means  
189.17 a period of not more than a calendar month for which a payment or compensation is ordinarily  
189.18 made to the employee by the employer.

189.19 Sec. 3. Minnesota Statutes 2018, section 268.051, subdivision 2a, is amended to read:

189.20 Subd. 2a. **Unemployment insurance tax limits reduction.** (a) If the balance in the trust  
189.21 fund on December 31 of any calendar year is four percent or more above the amount equal  
189.22 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced  
189.23 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the  
189.24 same percentage of the total amount above 1.0 as the percentage of taxes paid by the  
189.25 employer during the calendar year is of the total amount of taxes that were paid by all  
189.26 ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers  
189.27 assigned a tax rate equal to the maximum experience rating plus the applicable base tax  
189.28 rate.

189.29 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given  
189.30 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,  
189.31 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of  
189.32 adequate reserves in relation to the state's current economy. The commissioner must calculate  
189.33 and publish, as soon as possible following December 31 of any calendar year, the trust fund  
190.1 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.  
190.2 Actual wages paid must be used in the calculation and estimates may not be used.

190.3 (c) The unemployment tax reduction under this subdivision does not apply to employers  
190.4 that were ~~at~~ assigned a tax rate equal to the maximum experience rating plus the applicable  
190.5 base tax rate for the year, ~~nor to high experience rating industry employers under subdivision~~  
190.6 ~~5, paragraph (b).~~ Computations under paragraph (a) are not subject to the rounding  
190.7 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,  
190.8 do not apply.

6.3 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution  
6.4 of newspapers or shopping news, not including delivery or distribution to any point for  
6.5 subsequent delivery or distribution;

6.6 ~~(32)~~ (33) casual employment performed for an individual, other than domestic  
6.7 employment under clause (17), that does not promote or advance that employer's trade or  
6.8 business;

6.9 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural  
6.10 employment" under subdivision 11; or

6.11 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered  
6.12 employment, all the employment for the pay period is covered employment; but if during  
6.13 more than one-half of any pay period the employment was noncovered employment, then  
6.14 all of the employment for the pay period is noncovered employment. "Pay period" means  
6.15 a period of not more than a calendar month for which a payment or compensation is ordinarily  
6.16 made to the employee by the employer.

6.17 Sec. 3. Minnesota Statutes 2018, section 268.051, subdivision 2a, is amended to read:

6.18 Subd. 2a. **Unemployment insurance tax limits reduction.** (a) If the balance in the trust  
6.19 fund on December 31 of any calendar year is four percent or more above the amount equal  
6.20 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced  
6.21 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the  
6.22 same percentage of the total amount above 1.0 as the percentage of taxes paid by the  
6.23 employer during the calendar year is of the total amount of taxes that were paid by all  
6.24 ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers  
6.25 assigned a tax rate equal to the maximum experience rating plus the applicable base tax  
6.26 rate.

6.27 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given  
6.28 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,  
6.29 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of  
6.30 adequate reserves in relation to the state's current economy. The commissioner must calculate  
6.31 and publish, as soon as possible following December 31 of any calendar year, the trust fund  
6.32 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.  
6.33 Actual wages paid must be used in the calculation and estimates may not be used.

7.1 (c) The unemployment tax reduction under this subdivision does not apply to employers  
7.2 that were ~~at~~ assigned a tax rate equal to the maximum experience rating plus the applicable  
7.3 base tax rate for the year, ~~nor to high experience rating industry employers under subdivision~~  
7.4 ~~5, paragraph (b).~~ Computations under paragraph (a) are not subject to the rounding  
7.5 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,  
7.6 do not apply.

190.9 (d) The unemployment tax reduction under this subdivision applies to taxes paid between  
190.10 March 1 and December 15 of the year following the December 31 computation under  
190.11 paragraph (a).

190.12 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~  
190.13 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~  
190.14 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~  
190.15 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~  
190.16 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~  
190.17 ~~the successor employer must receive that portion of the predecessor employer's tax reduction~~  
190.18 ~~equal to that portion of the experience rating history transferred. The predecessor employer~~  
190.19 ~~retains that portion of tax reduction not transferred to the successor. This paragraph applies~~  
190.20 ~~to that portion of the tax reduction that remains unused at the time of notice of acquisition~~  
190.21 ~~is provided under subdivision 4, paragraph (e).~~

190.22 Sec. 4. **EFFECTIVE DATE.**

190.23 Unless otherwise specified, this article is effective October 1, 2020.

190.24 **ARTICLE 11**

190.25 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

190.26 Section 1. Minnesota Statutes 2018, section 268.057, subdivision 5, is amended to read:

190.27 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under  
190.28 this chapter or section 116L.20, except late fees under section 268.044, are not received on  
190.29 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount  
190.30 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of  
190.31 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision  
190.32 is credited to the contingent account.

191.1 **EFFECTIVE DATE.** This section is effective October 1, 2020.

191.2 Sec. 2. Minnesota Statutes 2018, section 268.18, subdivision 2b, is amended to read:

191.3 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and  
191.4 any penalty amounts assessed under subdivision 2, the commissioner must assess interest  
191.5 ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar  
191.6 days after the date of a determination of overpayment penalty. Interest is assessed at the  
191.7 rate of one percent per month or any part of a month. A determination of overpayment  
191.8 penalty must state that interest will be assessed. Interest is ~~not assessed in the same manner~~  
191.9 ~~as on employer debt under section 268.057, subdivision 5 on unpaid interest.~~ Interest  
191.10 ~~payments~~ collected under this subdivision ~~are~~ is credited to the trust fund.

191.11 **EFFECTIVE DATE.** This section is effective October 1, 2020.

7.7 (d) The unemployment tax reduction under this subdivision applies to taxes paid between  
7.8 March 1 and December 15 of the year following the December 31 computation under  
7.9 paragraph (a).

7.10 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~  
7.11 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~  
7.12 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~  
7.13 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~  
7.14 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~  
7.15 ~~the successor employer must receive that portion of the predecessor employer's tax reduction~~  
7.16 ~~equal to that portion of the experience rating history transferred. The predecessor employer~~  
7.17 ~~retains that portion of tax reduction not transferred to the successor. This paragraph applies~~  
7.18 ~~to that portion of the tax reduction that remains unused at the time of notice of acquisition~~  
7.19 ~~is provided under subdivision 4, paragraph (e).~~

7.20 Sec. 4. **EFFECTIVE DATE.**

7.21 Unless otherwise specified, this article is effective October 1, 2020.

7.22 **ARTICLE 2**

7.23 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

7.24 Section 1. Minnesota Statutes 2018, section 268.057, subdivision 5, is amended to read:

7.25 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under  
7.26 this chapter or section 116L.20, except late fees under section 268.044, are not received on  
7.27 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount  
7.28 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of  
7.29 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision  
7.30 is credited to the contingent account.

7.31 **EFFECTIVE DATE.** This section is effective October 1, 2020.

8.1 Sec. 2. Minnesota Statutes 2018, section 268.18, subdivision 2b, is amended to read:

8.2 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and  
8.3 any penalty amounts assessed under subdivision 2, the commissioner must assess interest  
8.4 ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar  
8.5 days after the date of a determination of overpayment penalty. Interest is assessed at the  
8.6 rate of one percent per month or any part of a month. A determination of overpayment  
8.7 penalty must state that interest will be assessed. Interest is ~~not assessed in the same manner~~  
8.8 ~~as on employer debt under section 268.057, subdivision 5 on unpaid interest.~~ Interest  
8.9 ~~payments~~ collected under this subdivision ~~are~~ is credited to the trust fund.

8.10 **EFFECTIVE DATE.** This section is effective October 1, 2020.

191.12 **ARTICLE 12**

191.13 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

191.14 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 4, is amended to read:

191.15 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,  
191.16 means the most recent four completed calendar quarters before the effective date of an  
191.17 applicant's application for unemployment benefits if the application has an effective date  
191.18 occurring after the month following the most recent completed calendar quarter. The base  
191.19 period under this paragraph is as follows:

191.20	If the application for unemployment	The base period is the prior:
191.21	benefits is effective on or between these	
191.22	dates:	
191.23	February 1 - March 31	January 1 - December 31
191.24	May 1 - June 30	April 1 - March 31
191.25	August 1 - September 30	July 1 - June 30
191.26	November 1 - December 31	October 1 - September 30

191.27 (b) If an application for unemployment benefits has an effective date that is during the  
191.28 month following the most recent completed calendar quarter, then the base period is the  
191.29 first four of the most recent five completed calendar quarters before the effective date of  
191.30 an applicant's application for unemployment benefits. The base period under this paragraph  
191.31 is as follows:

192.1	If the application for unemployment	The base period is the prior:
192.2	benefits is effective on or between these	
192.3	dates:	
192.4	January 1 - January 31	October 1 - September 30
192.5	April 1 - April 30	January 1 - December 31
192.6	July 1 - July 31	April 1 - March 31
192.7	October 1 - October 31	July 1 - June 30

192.8 (c) Regardless of paragraph (a), a base period of the first four of the most recent five  
192.9 completed calendar quarters must be used if the applicant would have more wage credits  
192.10 under that base period than under a base period of the four most recent completed calendar  
192.11 quarters.

8.11 **ARTICLE 3**

8.12 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

8.13 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 4, is amended to read:

8.14 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,  
8.15 means the most recent four completed calendar quarters before the effective date of an  
8.16 applicant's application for unemployment benefits if the application has an effective date  
8.17 occurring after the month following the most recent completed calendar quarter. The base  
8.18 period under this paragraph is as follows:

8.19	If the application for unemployment	The base period is the prior:
8.20	benefits is effective on or between these	
8.21	dates:	
8.22	February 1 - March 31	January 1 - December 31
8.23	May 1 - June 30	April 1 - March 31
8.24	August 1 - September 30	July 1 - June 30
8.25	November 1 - December 31	October 1 - September 30

8.26 (b) If an application for unemployment benefits has an effective date that is during the  
8.27 month following the most recent completed calendar quarter, then the base period is the  
8.28 first four of the most recent five completed calendar quarters before the effective date of  
8.29 an applicant's application for unemployment benefits. The base period under this paragraph  
8.30 is as follows:

8.31	If the application for unemployment	The base period is the prior:
8.32	benefits is effective on or between these	
8.33	dates:	
8.34	January 1 - January 31	October 1 - September 30
8.35	April 1 - April 30	January 1 - December 31
9.1	July 1 - July 31	April 1 - March 31
9.2	October 1 - October 31	July 1 - June 30

9.3 (c) Regardless of paragraph (a), a base period of the first four of the most recent five  
9.4 completed calendar quarters must be used if the applicant would have more wage credits  
9.5 under that base period than under a base period of the four most recent completed calendar  
9.6 quarters.

192.12 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~  
192.13 ~~account, then a base period of the most recent four completed calendar quarters before the~~  
192.14 ~~effective date of the applicant's application for unemployment benefits must be used.~~

192.15 ~~(e)~~ (d) If the applicant has insufficient wage credits to establish a benefit account under  
192.16 a base period of the four most recent completed calendar quarters, or a base period of the  
192.17 first four of the most recent five completed calendar quarters, but during either base period  
192.18 the applicant received workers' compensation for temporary disability under chapter 176  
192.19 or a similar federal law or similar law of another state, or if the applicant whose own serious  
192.20 illness caused a loss of work for which the applicant received compensation for loss of  
192.21 wages from some other source, the applicant may request a base period as follows:

192.22 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a  
192.23 base period referred to in paragraph (a) or (b), then the base period is the first four of the  
192.24 most recent six completed calendar quarters before the effective date of the application for  
192.25 unemployment benefits;

192.26 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base  
192.27 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
192.28 recent seven completed calendar quarters before the effective date of the application for  
192.29 unemployment benefits;

192.30 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base  
192.31 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
192.32 recent eight completed calendar quarters before the effective date of the application for  
192.33 unemployment benefits; and

192.34 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base  
192.35 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
193.1 recent nine completed calendar quarters before the effective date of the application for  
193.2 unemployment benefits.

193.3 ~~(e)~~ (e) No base period under this subdivision may include wage credits upon which a  
193.4 prior benefit account was established.

193.5 Sec. 2. Minnesota Statutes 2018, section 268.07, subdivision 1, is amended to read:

193.6 Subdivision 1. **Application for unemployment benefits; determination of benefit**  
193.7 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or  
193.8 by electronic transmission as the commissioner may require. The applicant must be  
193.9 unemployed at the time the application is filed and must provide all requested information  
193.10 in the manner required. If the applicant is not unemployed at the time of the application or  
193.11 fails to provide all requested information, the communication is not an application for  
193.12 unemployment benefits.

193.13 (b) The commissioner must examine each application for unemployment benefits to  
193.14 determine the base period and the benefit year, and based upon all the covered employment

9.7 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~  
9.8 ~~account, then a base period of the most recent four completed calendar quarters before the~~  
9.9 ~~effective date of the applicant's application for unemployment benefits must be used.~~

9.10 ~~(e)~~ (d) If the applicant has insufficient wage credits to establish a benefit account under  
9.11 a base period of the four most recent completed calendar quarters, or a base period of the  
9.12 first four of the most recent five completed calendar quarters, but during either base period  
9.13 the applicant received workers' compensation for temporary disability under chapter 176  
9.14 or a similar federal law or similar law of another state, or if the applicant whose own serious  
9.15 illness caused a loss of work for which the applicant received compensation for loss of  
9.16 wages from some other source, the applicant may request a base period as follows:

9.17 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a  
9.18 base period referred to in paragraph (a) or (b), then the base period is the first four of the  
9.19 most recent six completed calendar quarters before the effective date of the application for  
9.20 unemployment benefits;

9.21 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base  
9.22 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
9.23 recent seven completed calendar quarters before the effective date of the application for  
9.24 unemployment benefits;

9.25 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base  
9.26 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
9.27 recent eight completed calendar quarters before the effective date of the application for  
9.28 unemployment benefits; and

9.29 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base  
9.30 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
9.31 recent nine completed calendar quarters before the effective date of the application for  
9.32 unemployment benefits.

10.1 ~~(e)~~ (e) No base period under this subdivision may include wage credits upon which a  
10.2 prior benefit account was established.

10.3 Sec. 2. Minnesota Statutes 2018, section 268.07, subdivision 1, is amended to read:

10.4 Subdivision 1. **Application for unemployment benefits; determination of benefit**  
10.5 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or  
10.6 by electronic transmission as the commissioner may require. The applicant must be  
10.7 unemployed at the time the application is filed and must provide all requested information  
10.8 in the manner required. If the applicant is not unemployed at the time of the application or  
10.9 fails to provide all requested information, the communication is not an application for  
10.10 unemployment benefits.

10.11 (b) The commissioner must examine each application for unemployment benefits to  
10.12 determine the base period and the benefit year, and based upon all the covered employment



193.15 in the base period the commissioner must determine the weekly unemployment benefit  
193.16 amount available, if any, and the maximum amount of unemployment benefits available,  
193.17 if any. The determination, which is a document separate and distinct from a document titled  
193.18 a determination of eligibility or determination of ineligibility issued under section 268.101,  
193.19 must be titled determination of benefit account. A determination of benefit account must  
193.20 be sent to the applicant and all base period employers, by mail or electronic transmission.

193.21 (c) If a base period employer did not provide wage detail information for the applicant  
193.22 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~  
193.23 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~  
193.24 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based  
193.25 upon the applicant's records, and issue a determination of benefit account.

193.26 ~~(d) An employer must provide wage detail information on an applicant within five~~  
193.27 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

193.28 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~  
193.29 ~~(d); and~~

193.30 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~  
193.31 ~~employer.~~

193.32 ~~(d)~~ (d) The commissioner may, at any time within 24 months from the establishment of  
193.33 a benefit account, reconsider any determination of benefit account and make an amended  
194.1 determination if the commissioner finds that the wage credits listed in the determination  
194.2 were incorrect for any reason. An amended determination of benefit account must be  
194.3 promptly sent to the applicant and all base period employers, by mail or electronic  
194.4 transmission. This subdivision does not apply to documents titled determinations of eligibility  
194.5 or determinations of ineligibility issued under section 268.101.

194.6 ~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment  
194.7 benefit amount or maximum amount of unemployment benefits available, any unemployment  
194.8 benefits that have been paid greater than the applicant was entitled is an overpayment of  
194.9 unemployment benefits. A determination or amended determination issued under this section  
194.10 that results in an overpayment of unemployment benefits must set out the amount of the  
194.11 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid  
194.12 unemployment benefits must be repaid.

194.13 Sec. 3. **EFFECTIVE DATE.**

194.14 Unless otherwise specified, this article is effective January 1, 2020.

194.15 **ARTICLE 13**

194.16 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING**

194.17 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 15, is amended to read:

10.13 in the base period the commissioner must determine the weekly unemployment benefit  
10.14 amount available, if any, and the maximum amount of unemployment benefits available,  
10.15 if any. The determination, which is a document separate and distinct from a document titled  
10.16 a determination of eligibility or determination of ineligibility issued under section 268.101,  
10.17 must be titled determination of benefit account. A determination of benefit account must  
10.18 be sent to the applicant and all base period employers, by mail or electronic transmission.

10.19 (c) If a base period employer did not provide wage detail information for the applicant  
10.20 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~  
10.21 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~  
10.22 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based  
10.23 upon the applicant's records, and issue a determination of benefit account.

10.24 ~~(d) An employer must provide wage detail information on an applicant within five~~  
10.25 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

10.26 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~  
10.27 ~~(d); and~~

10.28 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~  
10.29 ~~employer.~~

10.30 ~~(d)~~ (d) The commissioner may, at any time within 24 months from the establishment of  
10.31 a benefit account, reconsider any determination of benefit account and make an amended  
10.32 determination if the commissioner finds that the wage credits listed in the determination  
10.33 were incorrect for any reason. An amended determination of benefit account must be  
11.1 promptly sent to the applicant and all base period employers, by mail or electronic  
11.2 transmission. This subdivision does not apply to documents titled determinations of eligibility  
11.3 or determinations of ineligibility issued under section 268.101.

11.4 ~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment  
11.5 benefit amount or maximum amount of unemployment benefits available, any unemployment  
11.6 benefits that have been paid greater than the applicant was entitled is an overpayment of  
11.7 unemployment benefits. A determination or amended determination issued under this section  
11.8 that results in an overpayment of unemployment benefits must set out the amount of the  
11.9 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid  
11.10 unemployment benefits must be repaid.

11.11 Sec. 3. **EFFECTIVE DATE.**

11.12 Unless otherwise specified, this article is effective January 1, 2020.

11.13 **ARTICLE 4**

11.14 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING**

11.15 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 15, is amended to read:

194.18 Subd. 15. **Employment.** (a) "Employment" means service performed by:  
194.19 (1) an individual who is an employee under the common law of employer-employee and  
194.20 not an independent contractor;  
194.21 (2) an officer of a corporation;  
194.22 (3) a member of a limited liability company who is an employee under the common law  
194.23 of employer-employee; ~~or~~  
194.24 (4) an individual who is an employee under the Federal Insurance Contributions Act,  
194.25 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or  
194.26 ~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of  
194.27 products. The person that pays the wages is the employer.  
194.28 (b) Employment does not include service as a juror.  
194.29 (c) Construction industry employment is defined in subdivision 9a. Trucking and  
194.30 messenger/courier industry employment is defined in subdivision 25b. Rules on determining  
194.31 worker employment status are described under Minnesota Rules, chapter 3315.  
195.1 Sec. 2. Minnesota Statutes 2018, section 268.044, subdivision 2, is amended to read:  
195.2 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit  
195.3 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed  
195.4 based upon the highest of:  
195.5 (1) the number of employees reported on the last wage detail report submitted;  
195.6 (2) the number of employees reported in the corresponding quarter of the prior calendar  
195.7 year; or  
195.8 (3) if no wage detail report has ever been submitted, the number of employees listed at  
195.9 the time of employer registration.  
195.10 The late fee is canceled if the wage detail report is received within 30 calendar days  
195.11 after a demand for the report is sent to the employer by mail or electronic transmission. A  
195.12 late fee assessed an employer may not be canceled more than twice each 12 months. The  
195.13 amount of the late fee assessed may not be less than \$250.  
195.14 (b) If the wage detail report is not received in a manner and format prescribed by the  
195.15 commissioner within 30 calendar days after demand is sent under paragraph (a), the late  
195.16 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the  
195.17 increased late fee will be sent to the employer by mail or electronic transmission.  
195.18 (c) Late fees due under this subdivision may be canceled, in whole or in part, under  
195.19 section ~~268.066 where good cause for late submission is found by the commissioner~~ 268.067.  
195.20 Sec. 3. Minnesota Statutes 2018, section 268.047, subdivision 3, is amended to read:

11.16 Subd. 15. **Employment.** (a) "Employment" means service performed by:  
11.17 (1) an individual who is an employee under the common law of employer-employee and  
11.18 not an independent contractor;  
11.19 (2) an officer of a corporation;  
11.20 (3) a member of a limited liability company who is an employee under the common law  
11.21 of employer-employee; ~~or~~  
11.22 (4) an individual who is an employee under the Federal Insurance Contributions Act,  
11.23 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or  
11.24 ~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of  
11.25 products. The person that pays the wages is the employer.  
11.26 (b) Employment does not include service as a juror.  
11.27 (c) Construction industry employment is defined in subdivision 9a. Trucking and  
11.28 messenger/courier industry employment is defined in subdivision 25b. Rules on determining  
11.29 worker employment status are described under Minnesota Rules, chapter 3315.  
12.1 Sec. 2. Minnesota Statutes 2018, section 268.044, subdivision 2, is amended to read:  
12.2 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit  
12.3 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed  
12.4 based upon the highest of:  
12.5 (1) the number of employees reported on the last wage detail report submitted;  
12.6 (2) the number of employees reported in the corresponding quarter of the prior calendar  
12.7 year; or  
12.8 (3) if no wage detail report has ever been submitted, the number of employees listed at  
12.9 the time of employer registration.  
12.10 The late fee is canceled if the wage detail report is received within 30 calendar days  
12.11 after a demand for the report is sent to the employer by mail or electronic transmission. A  
12.12 late fee assessed an employer may not be canceled more than twice each 12 months. The  
12.13 amount of the late fee assessed may not be less than \$250.  
12.14 (b) If the wage detail report is not received in a manner and format prescribed by the  
12.15 commissioner within 30 calendar days after demand is sent under paragraph (a), the late  
12.16 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the  
12.17 increased late fee will be sent to the employer by mail or electronic transmission.  
12.18 (c) Late fees due under this subdivision may be canceled, in whole or in part, under  
12.19 section ~~268.066 where good cause for late submission is found by the commissioner~~ 268.067.  
12.20 Sec. 3. Minnesota Statutes 2018, section 268.047, subdivision 3, is amended to read:

195.21 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not  
195.22 be used in computing the future tax rate of a taxpaying base period employer when:

195.23 (1) the applicant's wage credits from that employer are less than \$500;

195.24 (2) the applicant quit the employment, unless it was determined under section 268.095,  
195.25 to have been because of a good reason caused by the employer or because the employer  
195.26 notified the applicant of discharge within 30 calendar days. This exception applies only to  
195.27 unemployment benefits paid for periods after the applicant's quitting the employment and,  
195.28 if the applicant is rehired by the employer, continues only until the beginning of the week  
195.29 the applicant is rehired; or

195.30 (3) the employer discharged the applicant from employment because of employment  
195.31 misconduct as determined under section 268.095. This exception applies only to  
195.32 unemployment benefits paid for periods after the applicant's discharge from employment  
196.1 and, if the applicant is rehired by the employer, continues only until the beginning of the  
196.2 week the applicant is rehired.

196.3 Sec. 4. Minnesota Statutes 2018, section 268.085, subdivision 3, is amended to read:

196.4 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An  
196.5 applicant is not eligible to receive unemployment benefits for any week the applicant is  
196.6 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also  
196.7 known as "PTO."

196.8 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and does~~  
196.9 ~~not apply:~~

196.10 (1) upon a permanent separation from employment; or

196.11 (2) to payments from a vacation fund administered by a union or a third party not under  
196.12 the control of the employer.

196.13 ~~Payments under this paragraph are applied to the period immediately following the~~  
196.14 ~~temporary, indefinite, or seasonal separation.~~

196.15 ~~(b) An applicant is not eligible to receive unemployment benefits for any week the~~  
196.16 ~~applicant is receiving, has received, or will receive severance pay, bonus pay, or any other~~  
196.17 ~~payments paid by an employer because of, upon, or after separation from employment.~~

196.18 This paragraph ~~only applies if the payment is:~~

196.19 ~~(1) considered wages under section 268.035, subdivision 29; or~~

196.20 ~~(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social~~  
196.21 ~~Security and Medicare.~~

196.22 (b) Payments under this paragraph subdivision are applied to the period immediately  
196.23 following the later of the date of separation from employment or the date the applicant first

12.21 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not  
12.22 be used in computing the future tax rate of a taxpaying base period employer when:

12.23 (1) the applicant's wage credits from that employer are less than \$500;

12.24 (2) the applicant quit the employment, unless it was determined under section 268.095,  
12.25 to have been because of a good reason caused by the employer or because the employer  
12.26 notified the applicant of discharge within 30 calendar days. This exception applies only to  
12.27 unemployment benefits paid for periods after the applicant's quitting the employment and,  
12.28 if the applicant is rehired by the employer, continues only until the beginning of the week  
12.29 the applicant is rehired; or

12.30 (3) the employer discharged the applicant from employment because of employment  
12.31 misconduct as determined under section 268.095. This exception applies only to  
12.32 unemployment benefits paid for periods after the applicant's discharge from employment  
13.1 and, if the applicant is rehired by the employer, continues only until the beginning of the  
13.2 week the applicant is rehired.

13.3 Sec. 4. Minnesota Statutes 2018, section 268.085, subdivision 3, is amended to read:

13.4 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An  
13.5 applicant is not eligible to receive unemployment benefits for any week the applicant is  
13.6 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also  
13.7 known as "PTO."

13.8 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and does~~  
13.9 ~~not apply:~~

13.10 (1) upon a permanent separation from employment; or

13.11 (2) to payments from a vacation fund administered by a union or a third party not under  
13.12 the control of the employer.

13.13 ~~Payments under this paragraph are applied to the period immediately following the~~  
13.14 ~~temporary, indefinite, or seasonal separation.~~

13.15 ~~(b) An applicant is not eligible to receive unemployment benefits for any week the~~  
13.16 ~~applicant is receiving, has received, or will receive severance pay, bonus pay, or any other~~  
13.17 ~~payments paid by an employer because of, upon, or after separation from employment.~~

13.18 This paragraph ~~only applies if the payment is:~~

13.19 ~~(1) considered wages under section 268.035, subdivision 29; or~~

13.20 ~~(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social~~  
13.21 ~~Security and Medicare.~~

13.22 (b) Payments under this paragraph subdivision are applied to the period immediately  
13.23 following the later of the date of separation from employment or the date the applicant first

196.24 becomes aware that the employer will be making a payment. The date the payment is actually  
196.25 made or received, or that an applicant must agree to a release of claims, does not affect the  
196.26 application of this ~~paragraph~~ subdivision.

196.27 ~~This paragraph does not apply to earnings under subdivision 5, back pay under~~  
196.28 ~~subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a):~~

196.29 ~~(e) An applicant is not eligible to receive unemployment benefits for any week the~~  
196.30 ~~applicant is receiving, has received, will receive, or has applied for pension, retirement, or~~  
196.31 ~~annuity payments from any plan contributed to by a base period employer including the~~  
197.1 ~~United States government. The base period employer is considered to have contributed to~~  
197.2 ~~the plan if the contribution is excluded from the definition of wages under section 268.035,~~  
197.3 ~~subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an~~  
197.4 ~~applicant is not considered to have received a payment if:~~

197.5 ~~(1) the applicant immediately deposits that payment in a qualified pension plan or~~  
197.6 ~~account; or~~

197.7 ~~(2) that payment is an early distribution for which the applicant paid an early distribution~~  
197.8 ~~penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1):~~

197.9 ~~This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.~~

197.10 ~~(c)~~ (c) This subdivision applies to all the weeks of payment. The number of weeks of  
197.11 payment is determined as follows:

197.12 (1) if the payments are made periodically, the total of the payments to be received is  
197.13 divided by the applicant's last level of regular weekly pay from the employer; or

197.14 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level  
197.15 of regular weekly pay from the employer.

197.16 ~~For purposes of this paragraph, The~~ "last level of regular weekly pay" includes  
197.17 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular  
197.18 compensation.

197.19 ~~(e)~~ (d) Under this subdivision, if the payment with respect to a week is equal to or more  
197.20 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
197.21 benefits for that week. If the payment with respect to a week is less than the applicant's  
197.22 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
197.23 of the payment.

197.24 Sec. 5. Minnesota Statutes 2018, section 268.085, subdivision 3a, is amended to read:

197.25 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant  
197.26 is not eligible to receive unemployment benefits for any week in which the applicant is  
197.27 receiving or has received compensation for loss of wages equal to or in excess of the  
197.28 applicant's weekly unemployment benefit amount under:

13.24 becomes aware that the employer will be making a payment. The date the payment is actually  
13.25 made or received, or that an applicant must agree to a release of claims, does not affect the  
13.26 application of this ~~paragraph~~ subdivision.

13.27 ~~This paragraph does not apply to earnings under subdivision 5, back pay under~~  
13.28 ~~subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a):~~

13.29 ~~(e) An applicant is not eligible to receive unemployment benefits for any week the~~  
13.30 ~~applicant is receiving, has received, will receive, or has applied for pension, retirement, or~~  
13.31 ~~annuity payments from any plan contributed to by a base period employer including the~~  
14.1 ~~United States government. The base period employer is considered to have contributed to~~  
14.2 ~~the plan if the contribution is excluded from the definition of wages under section 268.035,~~  
14.3 ~~subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an~~  
14.4 ~~applicant is not considered to have received a payment if:~~

14.5 ~~(1) the applicant immediately deposits that payment in a qualified pension plan or~~  
14.6 ~~account; or~~

14.7 ~~(2) that payment is an early distribution for which the applicant paid an early distribution~~  
14.8 ~~penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1):~~

14.9 ~~This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.~~

14.10 ~~(e)~~ (c) This subdivision applies to all the weeks of payment. The number of weeks of  
14.11 payment is determined as follows:

14.12 (1) if the payments are made periodically, the total of the payments to be received is  
14.13 divided by the applicant's last level of regular weekly pay from the employer; or

14.14 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level  
14.15 of regular weekly pay from the employer.

14.16 ~~For purposes of this paragraph, The~~ "last level of regular weekly pay" includes  
14.17 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular  
14.18 compensation.

14.19 ~~(e)~~ (d) Under this subdivision, if the payment with respect to a week is equal to or more  
14.20 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
14.21 benefits for that week. If the payment with respect to a week is less than the applicant's  
14.22 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
14.23 of the payment.

14.24 Sec. 5. Minnesota Statutes 2018, section 268.085, subdivision 3a, is amended to read:

14.25 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant  
14.26 is not eligible to receive unemployment benefits for any week in which the applicant is  
14.27 receiving or has received compensation for loss of wages equal to or in excess of the  
14.28 applicant's weekly unemployment benefit amount under:

197.29 (1) the workers' compensation law of this state;  
197.30 (2) the workers' compensation law of any other state or similar federal law; or  
197.31 (3) any insurance or trust fund paid in whole or in part by an employer.

198.1 (b) This subdivision does not apply to an applicant who has a claim pending for loss of  
198.2 wages under paragraph (a); however, before unemployment benefits may be paid when a  
198.3 claim is pending, the issue of the applicant being available for suitable employment, as  
198.4 required under subdivision 1, clause (4), is must be determined under section 268.101,  
198.5 subdivision 2. If the applicant later receives compensation as a result of the pending claim,  
198.6 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits  
198.7 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~  
198.8 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

198.9 (c) If the amount of compensation described under paragraph (a) for any week is less  
198.10 than the applicant's weekly unemployment benefit amount, unemployment benefits requested  
198.11 for that week are reduced by the amount of that compensation payment.

198.12 Sec. 6. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to  
198.13 read:

198.14 **Subd. 3b. Separation, severance, or bonus payments that delay unemployment**  
198.15 **benefits.** (a) An applicant is not eligible to receive unemployment benefits for any week  
198.16 the applicant is receiving, has received, or will receive separation pay, severance pay, bonus  
198.17 pay, or any other payments paid by an employer because of, upon, or after separation from  
198.18 employment. This subdivision applies if the payment is:

198.19 (1) considered wages under section 268.035, subdivision 29; or  
198.20 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social  
198.21 Security and Medicare.

198.22 (b) Payments under this subdivision are applied to the period immediately following the  
198.23 later of the date of separation from employment or the date the applicant first becomes  
198.24 aware that the employer will be making a payment. The date the payment is actually made  
198.25 or received, or that an applicant must agree to a release of claims, does not affect the  
198.26 application of this paragraph.

198.27 (c) This subdivision does not apply to earnings under subdivision 5, back pay under  
198.28 subdivision 6, or vacation pay, sick pay, or personal time off pay under subdivision 3.

198.29 (d) This subdivision applies to all the weeks of payment. The number of weeks of  
198.30 payment is determined in accordance with subdivision 3, paragraph (c).

198.31 (e) Under this subdivision, if the payment with respect to a week is equal to or more  
198.32 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
198.33 benefits for that week. If the payment with respect to a week is less than the applicant's

14.29 (1) the workers' compensation law of this state;  
14.30 (2) the workers' compensation law of any other state or similar federal law; or  
14.31 (3) any insurance or trust fund paid in whole or in part by an employer.

15.1 (b) This subdivision does not apply to an applicant who has a claim pending for loss of  
15.2 wages under paragraph (a); however, before unemployment benefits may be paid when a  
15.3 claim is pending, the issue of the applicant being available for suitable employment, as  
15.4 required under subdivision 1, clause (4), is must be determined under section 268.101,  
15.5 subdivision 2. If the applicant later receives compensation as a result of the pending claim,  
15.6 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits  
15.7 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~  
15.8 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

15.9 (c) If the amount of compensation described under paragraph (a) for any week is less  
15.10 than the applicant's weekly unemployment benefit amount, unemployment benefits requested  
15.11 for that week are reduced by the amount of that compensation payment.

15.12 Sec. 6. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to  
15.13 read:

15.14 **Subd. 3b. Separation, severance, or bonus payments that delay unemployment**  
15.15 **benefits.** (a) An applicant is not eligible to receive unemployment benefits for any week  
15.16 the applicant is receiving, has received, or will receive separation pay, severance pay, bonus  
15.17 pay, or any other payments paid by an employer because of, upon, or after separation from  
15.18 employment. This subdivision applies if the payment is:

15.19 (1) considered wages under section 268.035, subdivision 29; or  
15.20 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social  
15.21 Security and Medicare.

15.22 (b) Payments under this subdivision are applied to the period immediately following the  
15.23 later of the date of separation from employment or the date the applicant first becomes  
15.24 aware that the employer will be making a payment. The date the payment is actually made  
15.25 or received, or that an applicant must agree to a release of claims, does not affect the  
15.26 application of this paragraph.

15.27 (c) This subdivision does not apply to earnings under subdivision 5, back pay under  
15.28 subdivision 6, or vacation pay, sick pay, or personal time off pay under subdivision 3.

15.29 (d) This subdivision applies to all the weeks of payment. The number of weeks of  
15.30 payment is determined in accordance with subdivision 3, paragraph (c).

15.31 (e) Under this subdivision, if the payment with respect to a week is equal to or more  
15.32 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
15.33 benefits for that week. If the payment with respect to a week is less than the applicant's

199.1 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
199.2 of the payment.

199.3 Sec. 7. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to  
199.4 read:

199.5 Subd. 3c. **Pension or retirement payment offset.** (a) An applicant is not eligible to  
199.6 receive unemployment benefits for any week the applicant is receiving, has received, will  
199.7 receive, or has applied for pension, retirement, or annuity payments from any plan contributed  
199.8 to by a base period employer including the United States government. The base period  
199.9 employer is considered to have contributed to the plan if the contribution is excluded from  
199.10 the definition of wages under section 268.035, subdivision 29.

199.11 (b) If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is  
199.12 not considered to have received a payment if:

199.13 (1) the applicant immediately deposits that payment in a qualified pension plan or  
199.14 account; or

199.15 (2) that payment is an early distribution for which the applicant paid an early distribution  
199.16 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

199.17 (c) This subdivision does not apply to Social Security benefits under subdivision 4 or  
199.18 4a.

199.19 (d) This subdivision applies to all the weeks of payment.

199.20 If the payment is made in a lump sum, that sum is divided by the applicant's last level  
199.21 of regular weekly pay from the employer to determine the weeks of payment.

199.22 The "last level of regular weekly pay" includes commissions, bonuses, and overtime  
199.23 pay if that is part of the applicant's ongoing regular compensation.

199.24 (e) Under this subdivision, if the payment with respect to a week is equal to or more  
199.25 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
199.26 benefits for that week. If the payment with respect to a week is less than the applicant's  
199.27 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
199.28 of the payment.

200.1 Sec. 8. Minnesota Statutes 2018, section 268.085, subdivision 13a, is amended to read:

200.2 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is  
200.3 ineligible for unemployment benefits for the duration of the leave of absence. An applicant  
200.4 on an involuntary leave of absence is not ineligible under this subdivision.

200.5 A leave of absence is voluntary when work that the applicant can then perform is available  
200.6 with the applicant's employer but the applicant chooses not to work. A medical leave of  
200.7 absence is not presumed to be voluntary.

16.1 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
16.2 of the payment.

16.3 Sec. 7. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to  
16.4 read:

16.5 Subd. 3c. **Pension or retirement payment offset.** (a) An applicant is not eligible to  
16.6 receive unemployment benefits for any week the applicant is receiving, has received, will  
16.7 receive, or has applied for pension, retirement, or annuity payments from any plan contributed  
16.8 to by a base period employer including the United States government. The base period  
16.9 employer is considered to have contributed to the plan if the contribution is excluded from  
16.10 the definition of wages under section 268.035, subdivision 29.

16.11 (b) If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is  
16.12 not considered to have received a payment if:

16.13 (1) the applicant immediately deposits that payment in a qualified pension plan or  
16.14 account; or

16.15 (2) that payment is an early distribution for which the applicant paid an early distribution  
16.16 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

16.17 (c) This subdivision does not apply to Social Security benefits under subdivision 4 or  
16.18 4a.

16.19 (d) This subdivision applies to all the weeks of payment.

16.20 If the payment is made in a lump sum, that sum is divided by the applicant's last level  
16.21 of regular weekly pay from the employer to determine the weeks of payment.

16.22 The "last level of regular weekly pay" includes commissions, bonuses, and overtime  
16.23 pay if that is part of the applicant's ongoing regular compensation.

16.24 (e) Under this subdivision, if the payment with respect to a week is equal to or more  
16.25 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
16.26 benefits for that week. If the payment with respect to a week is less than the applicant's  
16.27 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
16.28 of the payment.

17.1 Sec. 8. Minnesota Statutes 2018, section 268.085, subdivision 13a, is amended to read:

17.2 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is  
17.3 ineligible for unemployment benefits for the duration of the leave of absence. An applicant  
17.4 on an involuntary leave of absence is not ineligible under this subdivision.

17.5 A leave of absence is voluntary when work that the applicant can then perform is available  
17.6 with the applicant's employer but the applicant chooses not to work. A medical leave of  
17.7 absence is not presumed to be voluntary.

200.8 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave  
200.9 of absence. A vacation period assigned by an employer under: (1) a uniform vacation  
200.10 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is  
200.11 an involuntary leave of absence.

200.12 (c) A leave of absence is a temporary stopping of work that has been approved by the  
200.13 employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence~~  
200.14 ~~is not~~ or a discharge from employment for purposes of Section 268.095 does not apply to  
200.15 a leave of absence.

200.16 (d) An applicant who is on a paid leave of absence, whether the leave of absence is  
200.17 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the  
200.18 leave.

200.19 (e) This subdivision applies to a leave of absence from a base period employer, an  
200.20 employer during the period between the end of the base period and the effective date of the  
200.21 benefit account, or an employer during the benefit year.

200.22 Sec. 9. Minnesota Statutes 2018, section 268.095, subdivision 6, is amended to read:

200.23 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any  
200.24 intentional, negligent, or indifferent conduct, on the job or off the job, that ~~displays clearly~~

200.25 ~~(+) is~~ a serious violation of the standards of behavior the employer has the right to  
200.26 reasonably expect of the employee; ~~or~~

200.27 ~~(2) a substantial lack of concern for the employment.~~

200.28 (b) Regardless of paragraph (a), the following is not employment misconduct:

200.29 (1) conduct that was a consequence of the applicant's mental illness or impairment;

200.30 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

200.31 (3) simple unsatisfactory conduct;

201.1 (4) conduct an average reasonable employee would have engaged in under the  
201.2 circumstances;

201.3 (5) conduct that was a consequence of the applicant's inability or incapacity;

201.4 (6) good faith errors in judgment if judgment was required;

201.5 (7) absence because of illness or injury of the applicant, with proper notice to the  
201.6 employer;

201.7 (8) absence, with proper notice to the employer, in order to provide necessary care  
201.8 because of the illness, injury, or disability of an immediate family member of the applicant;

201.9 (9) conduct that was a consequence of the applicant's chemical dependency, unless the  
201.10 applicant was previously diagnosed chemically dependent or had treatment for chemical

17.8 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave  
17.9 of absence. A vacation period assigned by an employer under: (1) a uniform vacation  
17.10 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is  
17.11 an involuntary leave of absence.

17.12 (c) A leave of absence is a temporary stopping of work that has been approved by the  
17.13 employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence~~  
17.14 ~~is not~~ or a discharge from employment for purposes of Section 268.095 does not apply to  
17.15 a leave of absence.

17.16 (d) An applicant who is on a paid leave of absence, whether the leave of absence is  
17.17 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the  
17.18 leave.

17.19 (e) This subdivision applies to a leave of absence from a base period employer, an  
17.20 employer during the period between the end of the base period and the effective date of the  
17.21 benefit account, or an employer during the benefit year.

17.22 Sec. 9. Minnesota Statutes 2018, section 268.095, subdivision 6, is amended to read:

17.23 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any  
17.24 intentional, negligent, or indifferent conduct, on the job or off the job, that ~~displays clearly~~

17.25 ~~(+) is~~ a serious violation of the standards of behavior the employer has the right to  
17.26 reasonably expect of the employee; ~~or~~

17.27 ~~(2) a substantial lack of concern for the employment.~~

17.28 (b) Regardless of paragraph (a), the following is not employment misconduct:

17.29 (1) conduct that was a consequence of the applicant's mental illness or impairment;

17.30 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

17.31 (3) simple unsatisfactory conduct;

18.1 (4) conduct an average reasonable employee would have engaged in under the  
18.2 circumstances;

18.3 (5) conduct that was a consequence of the applicant's inability or incapacity;

18.4 (6) good faith errors in judgment if judgment was required;

18.5 (7) absence because of illness or injury of the applicant, with proper notice to the  
18.6 employer;

18.7 (8) absence, with proper notice to the employer, in order to provide necessary care  
18.8 because of the illness, injury, or disability of an immediate family member of the applicant;

18.9 (9) conduct that was a consequence of the applicant's chemical dependency, unless the  
18.10 applicant was previously diagnosed chemically dependent or had treatment for chemical

201.11 dependency, and since that diagnosis or treatment has failed to make consistent efforts to  
201.12 control the chemical dependency; or

201.13 (10) conduct that was a consequence of the applicant, or an immediate family member  
201.14 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the  
201.15 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the  
201.16 meanings given them in subdivision 1.

201.17 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,  
201.18 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the  
201.19 employment is employment misconduct.

201.20 (d) If the conduct for which the applicant was discharged involved only a single incident,  
201.21 that is an important fact that must be considered in deciding whether the conduct rises to  
201.22 the level of employment misconduct under paragraph (a). This paragraph does not require  
201.23 that a determination under section 268.101 or decision under section 268.105 contain a  
201.24 specific acknowledgment or explanation that this paragraph was considered.

201.25 (e) The definition of employment misconduct provided by this subdivision is exclusive  
201.26 and no other definition applies.

201.27 Sec. 10. Minnesota Statutes 2018, section 268.095, subdivision 6a, is amended to read:

201.28 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~  
201.29 ~~section, "aggravated employment misconduct" means:~~

201.30 (⊕) The commission of any act, on the job or off the job, that would amount to a gross  
201.31 misdemeanor or felony is aggravated employment misconduct if the act substantially  
201.32 ~~interfered with the employment or had a significant adverse effect on the employment; or,~~

202.1 A criminal charge or conviction is not necessary to determine aggravated employment  
202.2 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or  
202.3 felony, the applicant is presumed to have committed the act.

202.4 (⊖) (b) For an employee of a facility as defined in section 626.5572, aggravated  
202.5 employment misconduct includes an act of patient or resident abuse, financial exploitation,  
202.6 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

202.7 (b) ~~If an applicant is convicted of a gross misdemeanor or felony for the same act for~~  
202.8 ~~which the applicant was discharged, it is aggravated employment misconduct if the act~~  
202.9 ~~substantially interfered with the employment or had a significant adverse effect on the~~  
202.10 ~~employment.~~

202.11 (c) The definition of aggravated employment misconduct provided by this subdivision  
202.12 is exclusive and no other definition applies.

202.13 Sec. 11. **EFFECTIVE DATE.**

18.11 dependency, and since that diagnosis or treatment has failed to make consistent efforts to  
18.12 control the chemical dependency; or

18.13 (10) conduct that was a consequence of the applicant, or an immediate family member  
18.14 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the  
18.15 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the  
18.16 meanings given them in subdivision 1.

18.17 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,  
18.18 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the  
18.19 employment is employment misconduct.

18.20 (d) If the conduct for which the applicant was discharged involved only a single incident,  
18.21 that is an important fact that must be considered in deciding whether the conduct rises to  
18.22 the level of employment misconduct under paragraph (a). This paragraph does not require  
18.23 that a determination under section 268.101 or decision under section 268.105 contain a  
18.24 specific acknowledgment or explanation that this paragraph was considered.

18.25 (e) The definition of employment misconduct provided by this subdivision is exclusive  
18.26 and no other definition applies.

18.27 Sec. 10. Minnesota Statutes 2018, section 268.095, subdivision 6a, is amended to read:

18.28 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~  
18.29 ~~section, "aggravated employment misconduct" means:~~

18.30 (⊕) The commission of any act, on the job or off the job, that would amount to a gross  
18.31 misdemeanor or felony is aggravated employment misconduct if the act substantially  
18.32 ~~interfered with the employment or had a significant adverse effect on the employment; or,~~

19.1 A criminal charge or conviction is not necessary to determine aggravated employment  
19.2 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or  
19.3 felony, the applicant is presumed to have committed the act.

19.4 (⊖) (b) For an employee of a facility as defined in section 626.5572, aggravated  
19.5 employment misconduct includes an act of patient or resident abuse, financial exploitation,  
19.6 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

19.7 (b) ~~If an applicant is convicted of a gross misdemeanor or felony for the same act for~~  
19.8 ~~which the applicant was discharged, it is aggravated employment misconduct if the act~~  
19.9 ~~substantially interfered with the employment or had a significant adverse effect on the~~  
19.10 ~~employment.~~

19.11 (c) The definition of aggravated employment misconduct provided by this subdivision  
19.12 is exclusive and no other definition applies.

19.13 Sec. 11. **EFFECTIVE DATE.**



202.14 Unless otherwise specified, this article is effective October 1, 2019.

202.15 **ARTICLE 14**

202.16 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL**

202.17 Section 1. Minnesota Statutes 2018, section 268.044, subdivision 3, is amended to read:

202.18 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage  
202.19 detail report, but fails to include all required employee information or enters erroneous  
202.20 information, is subject to an administrative service fee of \$25 for each employee for whom  
202.21 the information is partially missing or erroneous.

202.22 (b) Any employer that submits the wage detail report, but fails to include an employee,  
202.23 is subject to an administrative service fee equal to two percent of the total wages for each  
202.24 employee for whom the information is completely missing.

202.25 (c) An administrative service fee under this subdivision must be canceled under section  
202.26 268.067 if the commissioner determines that the failure or error by the employer occurred  
202.27 because of ignorance or inadvertence.

202.28 Sec. 2. Minnesota Statutes 2018, section 268.046, subdivision 1, is amended to read:

202.29 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying  
202.30 employer to have that person obtain the taxpaying employer's workforce and provide workers  
203.1 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for  
203.2 the duration of the contract the taxpaying employer's account under section 268.045. That  
203.3 tax account must be maintained by the person separate and distinct from every other tax  
203.4 account held by the person and identified in a manner prescribed by the commissioner. The  
203.5 tax account is, for the duration of the contract, considered that person's account for all  
203.6 purposes of this chapter. The workers obtained from the taxpaying employer and any other  
203.7 workers provided by that person to the taxpaying employer, including officers of the  
203.8 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose  
203.9 wages paid by the person are considered paid in covered employment under section 268.035,  
203.10 subdivision 24, for the duration of the contract between the taxpaying employer and the  
203.11 person, must, under section 268.044, be reported on the wage detail report under that tax  
203.12 account, and that person must pay any taxes due at the tax rate computed for that account  
203.13 under section 268.051, subdivision 2.

203.14 (b) Any workers of the taxpaying employer who are not covered by the contract under  
203.15 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage  
203.16 detail report under the tax account assigned under paragraph (a). Taxes and any other  
203.17 amounts due on the wages reported by the taxpaying employer under this paragraph may  
203.18 be paid directly by the taxpaying employer.

203.19 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not  
203.20 have a tax account at the time of the execution of the contract, an account must be registered

19.14 Unless otherwise specified, this article is effective October 1, 2019.

19.15 **ARTICLE 5**

19.16 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL**

19.17 Section 1. Minnesota Statutes 2018, section 268.044, subdivision 3, is amended to read:

19.18 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage  
19.19 detail report, but fails to include all required employee information or enters erroneous  
19.20 information, is subject to an administrative service fee of \$25 for each employee for whom  
19.21 the information is partially missing or erroneous.

19.22 (b) Any employer that submits the wage detail report, but fails to include an employee,  
19.23 is subject to an administrative service fee equal to two percent of the total wages for each  
19.24 employee for whom the information is completely missing.

19.25 (c) An administrative service fee under this subdivision must be canceled under section  
19.26 268.067 if the commissioner determines that the failure or error by the employer occurred  
19.27 because of ignorance or inadvertence.

19.28 Sec. 2. Minnesota Statutes 2018, section 268.046, subdivision 1, is amended to read:

19.29 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying  
19.30 employer to have that person obtain the taxpaying employer's workforce and provide workers  
20.1 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for  
20.2 the duration of the contract the taxpaying employer's account under section 268.045. That  
20.3 tax account must be maintained by the person separate and distinct from every other tax  
20.4 account held by the person and identified in a manner prescribed by the commissioner. The  
20.5 tax account is, for the duration of the contract, considered that person's account for all  
20.6 purposes of this chapter. The workers obtained from the taxpaying employer and any other  
20.7 workers provided by that person to the taxpaying employer, including officers of the  
20.8 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose  
20.9 wages paid by the person are considered paid in covered employment under section 268.035,  
20.10 subdivision 24, for the duration of the contract between the taxpaying employer and the  
20.11 person, must, under section 268.044, be reported on the wage detail report under that tax  
20.12 account, and that person must pay any taxes due at the tax rate computed for that account  
20.13 under section 268.051, subdivision 2.

20.14 (b) Any workers of the taxpaying employer who are not covered by the contract under  
20.15 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage  
20.16 detail report under the tax account assigned under paragraph (a). Taxes and any other  
20.17 amounts due on the wages reported by the taxpaying employer under this paragraph may  
20.18 be paid directly by the taxpaying employer.

20.19 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not  
20.20 have a tax account at the time of the execution of the contract, an account must be registered

203.21 for the taxpaying employer under section 268.042 and the new employer tax rate under  
203.22 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the  
203.23 person as provided for in paragraph (a).

203.24 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within  
203.25 30 calendar days of the execution or termination of a contract, notify the commissioner by  
203.26 electronic transmission, in a format prescribed by the commissioner, of that execution or  
203.27 termination. The taxpaying employer's name, the account number assigned, and any other  
203.28 information required by the commissioner must be provided by that person.

203.29 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer  
203.30 of the assignment of the tax account under this section and the taxpaying employer's  
203.31 obligation under paragraph (b). If there is a termination of the contract, the tax account is,  
203.32 as of the date of termination, immediately assigned to the taxpaying employer.

204.1 Sec. 3. Minnesota Statutes 2018, section 268.069, subdivision 1, is amended to read:

204.2 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits  
204.3 from the trust fund to an applicant who has met each of the following requirements:

204.4 (1) the applicant has filed an application for unemployment benefits and established a  
204.5 benefit account in accordance with section 268.07;

204.6 (2) the applicant has not been held ineligible for unemployment benefits under section  
204.7 268.095 because of a quit or discharge;

204.8 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

204.9 (4) the applicant does not have an outstanding overpayment of unemployment benefits,  
204.10 including any penalties or interest; and

204.11 (5) the applicant has not been held ineligible for unemployment benefits under section  
204.12 268.183 ~~because of a false representation or concealment of facts.~~

204.13 Sec. 4. Minnesota Statutes 2018, section 268.105, subdivision 6, is amended to read:

204.14 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an  
204.15 applicant or employer may be represented by any authorized representative.

204.16 Except for services provided by an attorney-at-law, no person may charge an applicant  
204.17 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on  
204.18 reconsideration, or in a proceeding under subdivision 7.

204.19 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a  
204.20 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the  
204.21 Supreme Court of Minnesota.

204.22 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the  
204.23 department as a result of any proceedings under this section.

20.21 for the taxpaying employer under section 268.042 and the new employer tax rate under  
20.22 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the  
20.23 person as provided for in paragraph (a).

20.24 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within  
20.25 30 calendar days of the execution or termination of a contract, notify the commissioner by  
20.26 electronic transmission, in a format prescribed by the commissioner, of that execution or  
20.27 termination. The taxpaying employer's name, the account number assigned, and any other  
20.28 information required by the commissioner must be provided by that person.

20.29 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer  
20.30 of the assignment of the tax account under this section and the taxpaying employer's  
20.31 obligation under paragraph (b). If there is a termination of the contract, the tax account is,  
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21.7 268.095 because of a quit or discharge;

21.8 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

21.9 (4) the applicant does not have an outstanding overpayment of unemployment benefits,  
21.10 including any penalties or interest; and

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21.17 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on  
21.18 reconsideration, or in a proceeding under subdivision 7.

21.19 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a  
21.20 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the  
21.21 Supreme Court of Minnesota.

21.22 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the  
21.23 department as a result of any proceedings under this section.

204.24 Sec. 5. Minnesota Statutes 2018, section 268.145, subdivision 1, is amended to read:

204.25 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,  
204.26 the applicant must be informed that:

204.27 (1) unemployment benefits are subject to federal and state income tax;

204.28 (2) there are requirements for filing estimated tax payments;

204.29 (3) the applicant may elect to have federal income tax withheld from unemployment  
204.30 benefits;

205.1 (4) if the applicant elects to have federal income tax withheld, the applicant may, in  
205.2 addition, elect to have Minnesota state income tax withheld; and

205.3 (5) at any time during the benefit year the applicant may change a prior election.

205.4 (b) If an applicant elects to have federal income tax withheld, the commissioner must  
205.5 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state  
205.6 income tax withheld, the commissioner must make an additional five percent deduction for  
205.7 state income tax. Any ~~amounts amount~~ deducted ~~or offset~~ under ~~sections 268.155, 268.18,~~  
205.8 ~~and 268.184~~ section 268.085 has priority over any amounts deducted under this section.  
205.9 Federal income tax withholding has priority over state income tax withholding.

205.10 (c) An election to have income tax withheld may not be retroactive and only applies to  
205.11 unemployment benefits paid after the election.

205.12 Sec. 6. Minnesota Statutes 2018, section 268.18, subdivision 5, is amended to read:

205.13 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of  
205.14 unemployment benefits, including any penalties and interest, is not an election of a method  
205.15 of recovery.

205.16 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter  
205.17 under section 176.361 is not an election of a remedy and does not prevent the commissioner  
205.18 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~  
205.19 ~~section 268.183~~.

205.20 Sec. 7. **REVISOR INSTRUCTION.**

205.21 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

205.22 (1) delete the term "bona fide" wherever it appears in section 268.035;

205.23 (2) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause  
205.24 (8);

205.25 (3) replace the term "displays clearly" with "shows" in chapter 268;

205.26 (4) replace the term "entire" with "hearing" in section 268.105; and

21.24 Sec. 5. Minnesota Statutes 2018, section 268.145, subdivision 1, is amended to read:

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21.26 the applicant must be informed that:

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21.30 benefits;

22.1 (4) if the applicant elects to have federal income tax withheld, the applicant may, in  
22.2 addition, elect to have Minnesota state income tax withheld; and

22.3 (5) at any time during the benefit year the applicant may change a prior election.

22.4 (b) If an applicant elects to have federal income tax withheld, the commissioner must  
22.5 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state  
22.6 income tax withheld, the commissioner must make an additional five percent deduction for  
22.7 state income tax. Any ~~amounts amount~~ deducted ~~or offset~~ under ~~sections 268.155, 268.18,~~  
22.8 ~~and 268.184~~ section 268.085 has priority over any amounts deducted under this section.  
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22.24 (8);

22.25 (3) replace the term "displays clearly" with "shows" in chapter 268;

22.26 (4) replace the term "entire" with "hearing" in section 268.105; and

205.27 (5) replace "24 calendar months" with "eight calendar quarters" in section 268.052,  
205.28 subdivision 2.

205.29 Sec. 8. **EFFECTIVE DATE.**

205.30 Unless otherwise specified, this article is effective October 1, 2019.

206.1 **ARTICLE 15**

206.2 **UI POLICY**

206.3 Section 1. Minnesota Statutes 2018, section 268.085, subdivision 8, is amended to read:

206.4 Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject  
206.5 to subdivision 7; if:

206.6 (1) the employment was provided under a contract between the employer and an  
206.7 elementary or secondary school; and

206.8 (2) the contract was for services that the elementary or secondary school could have had  
206.9 performed by its employees.

206.10 (b) Wage credits from an employer are not subject to subdivision 7 if:

206.11 (1) those wage credits were earned by an employee of a private employer performing  
206.12 work under a contract between the employer and an elementary or secondary school; and

206.13 (2) the employment was related to bus or food services provided to the school by the  
206.14 employer.

22.27 (5) replace "24 calendar months" with "eight calendar quarters" in section 268.052,  
22.28 subdivision 2.

22.29 Sec. 8. **EFFECTIVE DATE.**

22.30 Unless otherwise specified, this article is effective October 1, 2019.