

Michigan Chamber of Commerce Urges House Lawmakers to Reject Bills to Bankrupt Unemployment Insurance Trust Fund

The Michigan Chamber of Commerce today urged the Michigan House of Representatives to reject the ill-timed and one-sided attack on Michigan's 100 percent employer-financed unemployment insurance program and instead focus on proposals that will create jobs and strengthen work incentives.

House Bills 6424-6429 -- introduced by State Representatives John Espinoza (D-Croswell), Gary McDowell (D-Rudyard), Joel Sheltrown (D-West Branch), Marie Donigan (D-Royal Oak), John Gleason (D-Flushing) and Doug Bennett (D-Muskegon) -- would increase the maximum weekly unemployment benefits from \$362 to \$408 for all eligible claimants, index benefits to the rate of inflation, and extend the number of weeks an individual would be eligible for unemployment benefits from 26 weeks to 39 weeks when the unemployment rate hits or exceeds five percent.

"This proposed legislation could not have come at a worse time for Michigan's job providers," said Rich Studley, Executive Vice President of the Michigan Chamber of Commerce. "Michigan employers currently pay the tenth highest unemployment tax rate in the country. House Bills 6424-6429 would quickly bankrupt Michigan's unemployment insurance trust fund."

According to House Fiscal Agency figures, the 13-week extension alone would cost approximately \$550 million, bankrupting Michigan's Unemployment Trust Fund and triggering an automatic increase in payroll taxes levied on Michigan employers.

"It's unfortunate that some lawmakers are scheming for political gain on this issue when they very well know that a massive payroll tax will need to be levied on Michigan employers to pay for their proposal," said Wendy Block, Director of Health Policy and Human Resources for the Michigan Chamber. "This proposal will only make Michigan's business climate -- and ultimately its unemployment rate -- worse.

"This unfunded proposal is not the solution to Michigan's economic woes and legislators should reject it," Block concluded.

The Michigan Chamber is a statewide business organization which represents more than 6,900 employers, trade associations and local chambers of commerce. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

SOURCE: Michigan Chamber of Commerce

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