

1 H.57

2 Introduced by Representative Cross of Winooski

3 Referred to Committee on

4 Date:

5 Subject: Labor; unemployment compensation; self-employment assistance  
6 program

7 Statement of purpose of bill as introduced: This bill proposes to establish a  
8 self-employment assistance program which would allow qualified applicants to  
9 receive unemployment benefits while participating in activities for the purpose  
10 of establishing a business and becoming self-employed.

11 An act relating to self-employment assistance

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 ~~Sec. 1. 21 V.S.A. § 1340a is added to read:~~

14 ~~§ 1340a. SELF-EMPLOYMENT ASSISTANCE PROGRAM~~

15 ~~(a) As used in this section:~~

16 ~~(1) “Full-time basis” means that the individual is devoting an amount of~~  
17 ~~time as determined by the Commissioner to be necessary to establish a~~  
18 ~~business that will serve as a full-time occupation for that individual.~~

19 ~~(2) “Regular benefits” has the same meaning as in subdivision 1421(5)~~  
20 ~~of this title.~~

1 ~~(3) “Self-employment assistance activities” means activities approved~~  
2 ~~by the Commissioner in which an individual participates for the purpose of~~  
3 ~~establishing a business and becoming self-employed, including entrepreneurial~~  
4 ~~training, business counseling, and technical assistance.~~

5 (4) “Self-employment assistance allowance” means an allowance  
6 payable in lieu of regular benefits from the Unemployment Compensation  
7 Fund to an individual who meets the requirements of this section.

8 (5) “Self-employment assistance program” means a program under  
9 which an individual who meets the requirements of subsection (d) of this  
10 section is eligible to receive an allowance in lieu of regular benefits for the  
11 purpose of assisting that individual in establishing a business and becoming  
12 self-employed.

13 (b) The weekly amount of the self-employment assistance allowance  
14 payable to an individual shall be equal to the weekly benefit amount for regular  
15 benefits otherwise payable under this title.

16 (c) The maximum amount of the self-employment assistance allowance  
17 paid under this section shall not exceed the maximum amount of benefits  
18 established under section 1340 of this title with respect to any benefit year.

19 (d)(1) An individual may receive a self-employment assistance allowance if  
20 that individual:

1 ~~(A) is eligible to receive regular benefits or would be eligible to~~  
2 ~~receive regular benefits except for the requirements described in subdivisions~~  
3 ~~(A) and (B) of subdivision (2) of this subsection;~~  
4 ~~(B) is identified by a worker profiling system as an individual likely~~  
5 ~~to exhaust regular benefits;~~  
6 ~~(C) has been accepted into a program approved by the Commissioner~~  
7 ~~that will provide self-employment assistance activities;~~  
8 ~~(D) is actively engaged in a full-time basis in activities, which may~~  
9 ~~include training, related to establishing a business and becoming~~  
10 ~~self-employed; and~~  
11 ~~(E) has filed a weekly claim for the self-employment assistance~~  
12 ~~allowance and provided the information the Commissioner prescribes.~~  
13 (2) A self-employment allowance shall be payable to an individual at the  
14 same interval, on the same terms, and subject to the same conditions as regular  
15 benefits under this chapter, except:  
16 (A) the requirements of section 1343 of this title, relating to  
17 availability for work, efforts to secure work, and refusal to accept work, are not  
18 applicable to the individual;  
19 (B) the individual is not considered to be self-employed pursuant to  
20 subdivision 1301(24) of this title;

1 ~~(C) an individual who meets the requirements of this section shall be~~  
2 ~~considered to be unemployed under section 1338 of this title; and~~

3 ~~(D) an individual who fails to participate in self-employment~~  
4 ~~assistance activities or who fails to actively engage on a full-time basis in~~  
5 ~~activities, including training, relating to the establishment of a business and~~  
6 ~~becoming self-employed shall be disqualified from receiving an allowance for~~  
7 ~~the week the failure occurs.~~

8 ~~(e) The self-employment assistance allowance may be paid to up to 35~~  
9 ~~qualified individuals in the first two years after the program is implemented, up~~  
10 ~~to 100 qualified individuals in the third and fourth years of the program, and in~~  
11 ~~subsequent years up to two percent of the number of individuals receiving~~  
12 ~~regular benefits at that time.~~

13 ~~(f) The self-employment assistance allowance shall be charged to an~~  
14 ~~employer in accordance with section 1325 of this title.~~

15 ~~(g) The Commissioner may adopt rules to implement this section.~~

16 Sec. 2. EFFECTIVE DATE

17 ~~This act shall take effect on July 1, 2013.~~

*Sec. 1. 21 V.S.A. § 1340a is added to read:*

*§ 1340a. SELF-EMPLOYMENT ASSISTANCE PROGRAM*

*(a) As used in this section:*

(1) “Full-time basis” means that the individual is devoting an amount of time as determined by the Commissioner to be necessary to establish a business that will serve as a full-time occupation for that individual.

(2) “Regular benefits” has the same meaning as in subdivision 1421(5) of this title.

(3) “Self-employment assistance activities” means activities approved by the Commissioner in which an individual participates for the purpose of establishing a business and becoming self-employed, including entrepreneurial training, business counseling, and technical assistance.

(4) “Self-employment assistance allowance” means an allowance payable in lieu of regular benefits from the Unemployment Compensation Fund to an individual who meets the requirements of this section.

(5) “Self-employment assistance program” means a program under which an individual who meets the requirements of subsection (d) of this section is eligible to receive an allowance in lieu of regular benefits for the purpose of assisting that individual in establishing a business and becoming self-employed.

(b) The weekly amount of the self-employment assistance allowance payable to an individual shall be equal to the weekly benefit amount for regular benefits otherwise payable under this title.

(c) The maximum amount of the self-employment assistance allowance paid under this section shall not exceed the maximum amount of benefits established under section 1340 of this title with respect to any benefit year.

(d)(1) An individual may receive a self-employment assistance allowance if that individual:

(A) is eligible to receive regular benefits or would be eligible to receive regular benefits except for the requirements described in subdivisions (A) and (B) of subdivision (2) of this subsection;

(B) is identified by a worker profiling system as an individual likely to exhaust regular benefits;

(C) has received the approval of the Commissioner to participate in a program providing self-employment assistance activities;

(D) is actively engaged in a full-time basis in activities, which may include training, related to establishing a business and becoming self-employed; and

(E) has filed a weekly claim for the self-employment assistance allowance and provided the information the Commissioner prescribes.

(2) A self-employment allowance shall be payable to an individual at the same interval, on the same terms, and subject to the same conditions as regular benefits under this chapter, except:

(A) the requirements of section 1343 of this title, relating to availability for work, efforts to secure work, and refusal to accept work, are not applicable to the individual;

(B) the individual is not considered to be self-employed pursuant to subdivision 1301(24) of this title;

(C) an individual who meets the requirements of this section shall be considered to be unemployed under section 1338 of this title; and

(D) an individual who fails to participate in self-employment assistance activities or who fails to actively engage on a full-time basis in activities, including training, relating to the establishment of a business and becoming self-employed shall be disqualified from receiving an allowance for the week the failure occurs.

(e) The self-employment assistance allowance may be paid to up to 35 qualified individuals at any time.

(f)(1) The self-employment assistance allowance shall be charged to the unemployment trust fund.

(2) In the event that the self-employment assistance allowance cannot be charged to the unemployment trust fund pursuant to subdivision (1) of this subsection, the allowance shall be charged in accordance with section 1325 of this title.

(g) The Commissioner shall approve any program that will provide self-employment assistance activities to qualified individuals.

(h) The Commissioner shall adopt rules to implement this section.

(i) The Commissioner may suspend the self-employment assistance program with approval of the Secretary of Administration and notice to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs in the event that it presents unintended adverse consequences to the unemployment trust fund.

*Sec. 2. EFFECTIVE DATE*

This section and 21 V.S.A. § 1340a(g) (rulemaking) shall take effect on passage. The remaining sections shall take effect on January 1, 2014.

*Sec. 3. SUNSET*

21 V.S.A. § 1340a (self-employment assistance program) shall be repealed on July 1, 2017.