



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0385/P3
MED:emw

DOA:.....Kirschbaum, BB0063 - UI Substantial Fault

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

EMPLOYMENT

Unemployment insurance; substantial fault

Under current law, a claimant for unemployment insurance (UI) benefits whose work is terminated by his or her employer for substantial fault by the claimant connected with the claimant's work is ineligible to receive UI benefits until the claimant satisfies certain requalification criteria. With certain exceptions, current law defines "substantial fault" to include those acts or omissions of a claimant over which the claimant exercised reasonable control and that violate reasonable requirements of the claimant's employer. This bill repeals this provision on substantial fault.

Worker's compensation; substantial fault

Currently, under the worker's compensation law, an employer is not liable for temporary disability benefits during an employee's healing period if the employee is suspended or terminated from employment due to substantial fault by the employee connected with the employee's work. With certain exceptions, current law defines "substantial fault" to include those acts or omissions of an employee over which the claimant exercised reasonable control and that violate reasonable requirements of the claimant's employer. This bill repeals this provision on substantial fault.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 102.43 (9) (e) of the statutes is amended to read:

102.43 (9) (e) The employee's employment with the employer has been suspended or terminated due to misconduct, as defined in s. 108.04 (5), ~~or substantial fault, as defined in s. 108.04 (5g) (a),~~ by the employee connected with the employee's work.

SECTION 2. 108.04 (5g) of the statutes is repealed.

SECTION 3. 108.16 (6m) (a) of the statutes, as affected by 2021 Wisconsin Act (this act), is amended to read:

108.16 (6m) (a) The benefits thus chargeable under s. 108.04 (1) (f), (5), ~~(5g)~~, (7) (h), (8) (a), (13) (c) or (d) or (16) (e), 108.07 (3), (3r), (5) (am) 2. and (bm) 3. a., (5m), and (6), 108.14 (8n) (e), 108.141, 108.151, or 108.152 or sub. (6) (e) or (7) (a) and (b).

***NOTE: This is reconciled s. 108.16 (6m) (a). This SECTION has been affected by drafts with the following LRB numbers: -0385 and -0360.

SECTION 9350. Initial applicability; Workforce Development.

(1) UNEMPLOYMENT INSURANCE; SUBSTANTIAL FAULT. The treatment of ss. 108.04 (5g) and 108.16 (6m) (a) (by SECTION 3) first applies with respect to determinations issued under s. 108.09 on the effective date of this subsection.

SECTION 9450. Effective dates; Workforce Development.

(1) UNEMPLOYMENT INSURANCE AND WORKER'S COMPENSATION; SUBSTANTIAL FAULT. The treatment of ss. 102.43 (9) (e), 108.04 (5g), and 108.16 (6m) (a) (by SECTION 3) and SECTION 9350 (1) of this act take effect on January 2, 2022.

(END)