Quit Exception for Relocating Spouse

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Proposed by: DWD  
Prepared by: Bureau of Legal Affairs

ANALYSIS OF PROPOSED UI LAW CHANGE  
Quit Exception for Relocating Spouse

1. Description of Proposed Change

Employees who quit a job are generally ineligible for unemployment insurance benefits unless an exception applies.

As a condition of Wisconsin receiving federal grant money (American Recovery and Reinvestment Act of 2009 Funds), 2009 Wis. Act 11 created a quit exception. The exception permitted claimants to be eligible for unemployment insurance benefits (assuming they were otherwise qualified) if they quit their job to move with a spouse who changed their place of employment, and it would have been impractical for the claimant to commute from the new location.

The 2013 Budget Act, 2013 Wis. Act 20, amended and repealed several quit exceptions, including amending the “quit to relocate” exception in Wis. Stat. § 108.04(7)(t). The amended quit exception, effective January 2014, was narrowed to cover only a claimant whose spouse is on active duty with the U.S. Armed Forces, is required to relocate by the U.S. Armed Forces and it is impractical for the claimant to commute to work.

The Governor’s Budget Bill (AB 68 / SB 111) modifies the changes to this quit exception made by 2013 Wis. Act 20 and provides that the quit exception covers all spouses who move with a relocating spouse, not just those serving in the U.S. Armed Forces. This proposal broadens this quit exception to apply to claimants whose spouses are required by any employer to relocate, not just the U.S. Armed Forces.
2. Proposed Statutory Changes\(^1\)

Section 108.04 (7) (t) 1. of the statutes is repealed.

Section 108.04 (7) (t) 2. of the statutes is amended to read:

The employee’s spouse was required by the U.S. armed forces his or her employing unit to relocate to a place to which it is impractical for the employee to commute.

3. Effects of Proposed Change

a. Policy: The proposed change may encourage workers to relocate to take better jobs. This proposal would ensure that spouses of workers who relocate to take better jobs are able to receive unemployment insurance benefits after relocating if it is impractical for the spouse to commute.

b. Administrative: This proposal will require training of Department staff.

c. Fiscal: A fiscal estimate is not yet available.

4. State and Federal Issues

There are no known federal conformity issues with this proposal. All changes to the unemployment insurance law should be sent to the U.S. Department of Labor for conformity review.

5. Proposed Effective/Applicability Date

This proposal would apply to determinations issued on or after the effective date.

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\(^1\) Subject to revision to ensure cross-references are corrected.
**FISCAL ANALYSIS OF PROPOSED LAW CHANGE**

**Summary of Proposal:**
Under current law, if an employee's spouse is a member of the U.S. Armed Forces on active duty and is relocated, and the employee quits his or her job in order to relocate with his or her spouse, the employee remains eligible to collect UI benefits. The proposal expands this exception so that it applies to an employee who quits employment in order to relocate with a spouse who is required by any employer, not just the U.S. Armed Forces, to relocate.

**UI Trust Fund Impact:**
This proposal is estimated to cost the UI Trust Fund approximately $462,000 annually based on increased benefit payments.

**IT and Administrative Impact:**
IT impact to the Unemployment Insurance program is a one-time impact estimated at $890. One-time administrative impact to the UI program is estimated at $267. There is no ongoing administrative impact.

**Trust Fund Methodology:**
Under prior law, there was a similar, but broader relocation exception. In 2011, there were 417 instances where benefits were allowed due to this quit exception. Averaging initial claims from the years between 2016 and 2019 and comparing that value to the initial claims in 2011, we expect there to now be 187 cases where benefits would be allowed under this exception. Initial claims for 2020 were not included because we do not expect 2020 to be representative of initial claims going forward. Using an average weekly benefit amount of $300 and an average duration over the period of 2016 to 2019 of 12.8 weeks this would increase benefits by an expected $718,000 annually. After deducting reimbursable benefits of $29,000 and accounting for an expected increased UI taxes of $227,000, the UI Trust Fund is expected to decrease by $462,000 annually.