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**SB-1138 Unemployment insurance: report: self-employed individuals.** (2021-2022)

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**Senate Bill No. 1138**

**CHAPTER 836**

An act to add Section 339.5 to the Unemployment Insurance Code, relating to unemployment insurance.

[ Approved by Governor September 29, 2022. Filed with Secretary of State September 29, 2022. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1138, Allen. Unemployment insurance: report: self-employed individuals.

Existing law establishes the Employment Development Department (EDD) within the Labor and Workforce Development Agency to perform various functions and duties, including administering the federal-state unemployment insurance program and the disability insurance program. Existing law provides for the payment of unemployment compensation benefits and extended benefits to eligible individuals who meet specified requirements. Existing law provides for elective coverage for employers and self-employed individuals.

This bill would require the EDD to conduct a feasibility study, as specified, that examines the idea of extending unemployment insurance benefits to self-employed individuals and reports on what actions are necessary to implement the expansion. The bill would require the EDD to complete and submit the feasibility study to the Legislature and the Senate Committee on Labor, Public Employment and Retirement by December 1, 2023.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 339.5 is added to the Unemployment Insurance Code, to read:

**339.5.** (a) The department shall conduct a feasibility study that examines the idea of extending unemployment insurance benefits to self-employed individuals and reports on what actions are necessary to implement the expansion.

(b) The feasibility study shall include, at a minimum, all of the following:

- (1) The feasibility of including self-employed individuals in the existing unemployment insurance structure.
- (2) The type of financing structure that would be appropriate for self-employed individuals.
- (3) The benefit determination structure that would be appropriate for self-employed individuals.
- (4) Fraud mitigation considerations.
- (5) Documentation and tracking necessities.

(c) By December 1, 2023, the department shall complete and submit the feasibility study to the Legislature, in compliance with Section 9795 of the Government Code, and to the Senate Committee on Labor, Public Employment and Retirement.