

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
Washington, D.C. 20210

REPORT ON STATE LEGISLATION

REPORT NO. 7
December 2011

GEORGIA HB 500
(Act No. 93)

ENACTED May 11, 2011
EFFECTIVE July 1, 2011

Extensions and Special Programs

Temporarily modifies the federal-state extended benefits (EB) program provisions concerning the EB “on” and “off” indicators by using a 3-year look-back for the optional indicators based on the seasonally adjusted total unemployment rate (TUR) for weeks of unemployment beginning on or after December 17, 2010, and ending 4 weeks prior to the last week for which the Federal government pays 100 percent of sharable EB costs authorized by federal law, without regard to the extension of federal sharing for certain claims provided under federal law.

Changes the ending effective date for the optional extended benefits (EB) “on” indicator based on the seasonally adjusted total unemployment rate (TUR) to ending 4 weeks (previously 3 weeks) prior to the last week for which the Federal government pays 100 percent of sharable EB costs authorized by federal law, or any extension thereof that does not impose any new condition upon receipt of such federal funding, without regard to the extension of federal sharing for certain claims provided under federal law.

Provides that the Governor’s office of Workforce Development shall, with the approval of the board, institute the Georgia Work Ready program. The implementation and operation of the program shall be subject to available federal funding, and shall be made available to job seekers free of charge. Provided that the program is operational, the Georgia Department of Labor shall make the information on this program available to persons receiving unemployment benefits, available electronically, and through the department’s career centers or at such other locations reasonably likely to make such information available to the greatest number of unemployed persons seeking jobs.

IDAHO HB 108 ENACTED and EFFECTIVE March 22, 2011
(CH 111)

Financing

Defines “Idaho Department of Labor project” in part to mean any project to assist the Department in providing or financing unemployment compensation benefits.

Grants the housing and finance association the power to borrow money and issue bonds and notes or other evidences on indebtedness to finance unemployment compensation benefits upon approval and recommendation by the director of the Idaho Department of Labor.

Modifies the calculation of the average high cost ratio by increasing the desired fund size multiplier of 0.8 to 0.9 on and after January 1, 2012, to 1.0 on and after January 1, 2013, to 1.1 on and after January 1, 2014, to 1.2 on and after January 1, 2015, to 1.3 on and after January 1, 2016, to 1.4 on and after January 1, 2017, and to 1.5 on and after January 1, 2018.

IDAHO HB 109 ENACTED and EFFECTIVE March 22, 2011
(CH 112)

Extensions and Special Programs

Temporarily modifies the federal-state extended benefits (EB) program provisions concerning the EB “on” and “off” indicators by using a 3-year look-back for the optional indicators based on the seasonally adjusted total unemployment rate (TUR) for weeks of unemployment beginning on or after January 1, 2011, and ending December 31, 2011, or the expiration date set forth in Federal law, whichever is later. (Effective retroactively to January 1, 2011.)

IDAHO SB 1017 ENACTED and EFFECTIVE March 17, 2011
(CH 94)

Financing

Provides that benefits paid to a claimant whose employment terminated because the claimant’s employer was called to active military duty shall not be used as a factor in determining the taxable wage rate of that employer.

ILLINOIS HB 1030 ENACTED and EFFECTIVE March 31, 2011
(P. A. No. 1)

Extensions and Special Programs

Changes the ending effective date for the optional extended benefits (EB) “on” indicator based on the seasonally adjusted total unemployment rate (TUR) to be effective 4 weeks (previously 3 weeks) prior to the last week for which the Federal government pays 100 percent of sharable EB costs authorized by federal law, without regard to the extension of federal sharing for certain claims provided under Federal law.

Temporarily modifies the federal-state extended benefits (EB) program provisions concerning the EB “on” and “off” indicators by using a 3-year look-back for both the mandatory indicator based on the insured unemployment rate (IUR) and the optional indicators based on the seasonally adjusted total unemployment rate (TUR) for weeks of unemployment beginning after December 17, 2010, and ending on or before the earlier of the latest date permitted under federal law or 4 weeks prior to the last week for which the Federal government pays 100 percent of

sharable EB costs authorized under federal law, without regard to the extension of federal sharing for certain claims provided under Federal law.

Financing

Adjusts the taxable wage base as follows. For calendar years 2010, 2011, 2013, and each year thereafter, the term “wages” shall include only the remuneration paid to an individual by an employer during that period with respect to employment which does not exceed the sum of the wage base adjustment applicable to that year, plus the maximum amount includable as wages with respect to the immediately preceding calendar year; for purposes of this sentence, the maximum amount includable as wages for calendar year 2013 shall be calculated as though the maximum amount includable as wages for calendar year 2012 had been calculated pursuant to this sentence. For calendar year 2012, to offset the loss of revenue to the state’s account in the federal unemployment trust fund with respect to the first quarter of calendar year 2011, wages shall include only the remuneration paid to an individual by an employer during that period for employment not exceeding \$13,560. Except for calendar 2012, and except as otherwise provided, the maximum amount includable as wages may not be less than \$12,300 or greater than \$12,960.

Provides that if by March 1, 2013, the payments attributable to the changes in the above paragraph or any subsequent amendments do not equal or exceed the loss to this state’s account in the federal unemployment trust fund and the changes to state law, including unrealized interest, then, for calendar year 2013, wages shall include only the remuneration paid to an individual by an employer during that period for employment not exceeding \$13,560. For purposes of the above paragraph, if the maximum amount includable as wages for calendar year 2013 is \$13,560, the maximum amount includable as wages for calendar year 2014 shall be calculated as though the maximum amount includable as wages for calendar year 2013 had been calculated as provided in the above paragraph without regard to this paragraph.

Provides that the fund building rate shall not apply to the first quarter of calendar year 2011. The taxable wage base adjustments for calendar years 2011 through 2013 are intended to offset the loss of revenue to the state’s account in the federal unemployment trust fund for the first quarter of calendar year 2011 as a result of the newly established surcharge and the changes made regarding the transfers to and from the Master Bond and the newly created Title XII Interest Fund. (Applies retroactively to January 1, 2011.)

Assesses on each employer a 0.5 percent surcharge of the total wages for insured work subject to the payment of contributions for the first quarter of calendar year 2011 which is due at the same time as contributions for the first quarter of calendar year 2011 are due. Notwithstanding any other provisions of law to the contrary, an employer whose contribution rate for the first quarter of calendar year 2011, calculated without regard to this surcharge, would have exceeded 5.4 percent but for the 5.4 percent rate ceiling imposed, the amount due from the employer for that quarter and attributable to the established surcharge shall equal the amount, if any, by which the amount due and attributable to the 5.4 percent rate exceeds the amount that would have been due and attributable to the employer’s rate. Payments received by the Director, Illinois Department of Employment Security, for the first quarter of calendar year 2011 shall, to the extent they are

insufficient to pay the total amount due with respect to the quarter, be first applied to satisfy the amount due for that quarter and attributable to the established surcharge. All provisions applicable to the collection or refund of any contribution due shall be applicable to the collection or refund of amounts due. Interest shall accrue with respect to amounts due to the same extent and under the same terms and conditions with respect to contributions. The changes made are intended to offset the loss of revenue to the state's account in the federal unemployment trust fund for the first quarter of calendar year 2011 as a result of the surcharge and the changes made to the fund building rate provision. (Applies retroactively to January 1, 2011.)

Establishes a Title XII Interest Fund that shall be held separate and apart from all public moneys or funds of this state. Payments attributable to the established surcharge in the amount not to exceed \$90 million shall be deposited into the Title XII Interest Fund, together with any moneys that may otherwise be directed for deposit into that Fund. Moneys shall be paid or expended upon the direction of the Director who shall expend such moneys only for the payment of interest required to be paid on Title XII advances or for transfer to this state's account in the federal unemployment trust fund. Any funds remaining in the Title XII Interest Fund after payment of the interest due as of September 30, 2011, on Title XII advances shall be transferred to this state's account in the federal unemployment trust fund no later than October 31, 2011.

Moneys in the Title XII Interest Fund shall not be commingled with other state funds, but shall be deposited and maintained in a separate account on the books of a savings and loan association, bank, or other qualified financial institution. All interest earnings on amounts within the Title XII Interest Fund shall accrue to such Fund. All sums recovered for losses sustained by the Title XII Interest Fund shall be deposited into the Fund.

Monetary Entitlement

Provides that for any benefit year beginning in calendar year 2012, the total maximum benefit entitlement is equal to 25 times the weekly benefit amount of the individual, plus dependents' allowances, or to the total wages for insured work paid to the individual during the individual's base period, whichever is smaller. If the maximum amount includable as wages is \$13,560 for calendar year 2013, then with respect to any benefit year beginning after March 31, 2013, and before April 1, 2014, the total maximum benefit entitlement is equal to 25 times the weekly benefit amount of the individual, plus dependents' allowances, or to the total wages for insured work paid to the individual during the individual's base period, whichever is smaller.

ILLINOIS HB 2066
(P. A. No. 34)

ENACTED and EFFECTIVE June 28, 2011

Administration

Requires the Director of the Illinois Department of Employment Security to annually compile a list of persons age 18 or older, who, in the prior 12 months filed a claim for unemployment insurance and to furnish this list to the Administrative Office of the Illinois Courts. The Administrative Office of the Illinois Courts shall furnish that list to the county board of each

Administration

Creates the Division of Employment Security within the North Carolina Department of Commerce (Department). Renames the Employment Security Commission as the Division of Employment Security (DES). Any reference to the Unemployment Compensation Commission shall be deemed a reference to the Department of Commerce, Division of Employment Security, and all powers, duties, funds, records, etc., of the Unemployment Compensation Commission and the Employment Security Commission are transferred to the Division of Employment Security. The Secretary of the Department of Commerce shall appoint an Assistant Secretary of Commerce. The DES shall administer the provisions of the North Carolina Employment Security Law under the supervision of the Assistant Secretary of Commerce through two coordinate sections: the Employment Security Section and the Employment Insurance Section. The Employment Insurance Section shall administer the unemployment taxation and assessment functions of the Division.

Defines Secretary to mean the Secretary of the Department of Commerce or the Assistant Secretary in charge of the Division of Employment Security.

Eliminates the penalty that a person may be imprisoned for not longer than 90 days for violating the disclosure or improper use provisions.

Appeals

Requires the Assistant Secretary to appoint hearing officers or appeals referees to hear contested matters arising from the Employment Security Section and the Employment Insurance Section. Appeals from the decisions of the hearing officers or appeals referees shall be heard by the Board of Review.

Requires the Governor to appoint a three-person board of review to determine appeals policies and procedures and to hear appeals arising from the decisions and determinations of the Employment Security Section and the Employment Insurance Section. The Board of Review shall be comprised of one member representing employees, one member representing employers, and one member representing the general public. Members of the Board are subject to confirmation by the General Assembly and shall serve 4-year terms.

Nonmonetary Eligibility

Provides that no individual shall be deemed to be available for work during any week that the person is incarcerated or has received notice to report or is otherwise detained in any state or federal jail or penal institution. This does not apply to any person incarcerated solely on a weekend in county jail and is otherwise available for work.

departmental functions may be delegated to private or public parties to increase the department's efficiency or quality of service to the public. The private or public person or organization shall use the information or records solely for the purpose for which the information was disclosed and shall be bound by the same rules of privacy and confidentiality as department employees.

Provides that an employer may not be required to respond to a notice of request until 10 calendar days, or the next business day if the 10th day falls on a Saturday, Sunday, or state holiday, after the U.S. mail postmark or 10 calendar days after the date of an electronic mail. (Prior law provided that the employer may not be required to respond until 12 business days after the U.S. mail postmark or 10 business days after the date of an electronic mail.)

Extensions and Special Programs

Temporarily modifies the federal-state extended benefits (EB) program provisions concerning the EB "on" and "off" indicators by using a 3-year look-back for the optional indicators based on the seasonally adjusted total unemployment rate (TUR) for weeks of unemployment beginning after March 7, 2009, and ending 4 weeks before the last week of unemployment for which 100 percent federal funding is available.

Financing

Deletes the language providing that the 0.06 percent administrative contingency assessment would not be assessed on employers assigned a contribution base rate of 5.4 percent.

Provides that employers shall pay contributions equal to the tax rate assigned to the class 20, (equal to 5.4 percent under prior law) except as otherwise provided.

Provides that the South Carolina Department of Workforce shall annually classify employers in accordance with their actual experience of the total taxable wages reported (experience in the payment of contributions on their own behalf, under prior law) and with respect to benefits charged to set rates that reflect their experience.

Imposes additional surcharges on all contributory employers (previously on all employers) in any calendar year the state Unemployment Insurance Trust Fund is insolvent. Requires the funds to be deposited in the Department of Employment and Workforce interest assessment fund.

Renames the employment security administration fund as the Department of Employment and Workforce administration fund.

Creates in the State Treasury the Department of Employment and Workforce interest assessment fund which shall consist of assessments collected when the state Unemployment Insurance Trust Fund is insolvent. Money in this fund shall not be commingled with other state funds but be maintained in a separate account on the books of a depository bank. All moneys in this fund shall be expended solely for defraying the cost of interest on advances from the federal Unemployment Trust Fund. Any balances in the fund shall not lapse at any time but shall be

continuously available to the department for expenditure consistent with the unemployment insurance law.

WASHINGTON HB 1091
 (CH 4)

ENACTED February 11, 2011
EFFECTIVE February 11, 2011,
or as noted

Extensions and Special Programs

Temporarily modifies the federal-state extended benefits (EB) program provisions concerning the EB “on” and “off” indicators by using a 3-year look-back for both the mandatory indicator based on the insured unemployment rate (IUR) and the optional indicators based on the seasonally adjusted total unemployment rate (TUR) applicable to weeks of unemployment beginning on December 17, 2010, or such subsequent date as may be provided by the department by rule.

Amends the definition of “eligibility period” to mean, for an individual who is eligible for emergency unemployment compensation during the extended benefit period beginning February 15, 2009, the period consisting of the week ending February 28, 2009, and applies as provided under Federal law as it existed on December 17, 2010, or such subsequent date as may be provided by the department by rule. (Previously, the week ending February 28, 2009, through the week ending May 29, 2010.)

Provides that training benefits shall be paid before any extended benefits but not before any similar federally funded program. Effective July 3, 2011, training benefits shall be paid after any federally funded program. (Expires July 1, 2012, unless the U.S. Department labor determines by October 1, 2011, that this provision does not meet the requirements of federal law for unemployment insurance modernization incentive funding.)

Provides that training benefits are not payable for weeks more than 2 years beyond the end of the benefit year of the regular claim; however, they are not payable for weeks more than 3 years beyond the end of the benefit year of the regular claim when individuals are eligible for benefits because the EB “on” and “off” indicators for the IUR and TUR are based on the 3-year look back. (Expires July 1, 2012, unless the U.S. Department labor determines by October 1, 2011, that this provision does not meet the requirements of federal law for unemployment insurance modernization incentive funding.)

Modifies the training benefits provisions as follows. Deletes the provision that to be eligible for retraining, an individual must have a long-term attachment to the labor force. Deletes the provision that individuals unemployed as a result of structural changes in the economy and technological advances rendering their skills obsolete must receive the highest priority for participation in this program; it is the further intent of the legislature that individuals for whom suitable employment is available are not eligible for additional benefits while participating in training. The new training benefits provisions are applicable with respect to claims with an effective date on or after July 1, 2012. Deletes the provisions that for fiscal year ending June 30, 2000 more than \$20 million may not be obligated for training benefits and for the 2 fiscal years

ending June 30, 2001, that more than \$60 million may not be obligated for training benefits. Deletes the provision obligating up to \$34 million for training benefits in the aerospace industry for claims filed before January 5, 2003. Provides that if the amount available for training benefits at any time is equal to or less than \$5 million, funds will no longer be obligated for individuals in vocational training to enhance earnings. Provides that if funds are exhausted, training benefits will continue to be obligated to specific dislocated workers; the following year's obligation for training benefits will be reduced by a corresponding amount. With respect to claims with an effective date on or after July 1, 2012, "dislocated worker" means any individual who (a) has been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of employment, or (b) has separated from a declining occupation and is eligible for or has exhausted entitlement to unemployment compensation benefits. (Effective July 1, 2012, unless the U.S. Department labor determines by October 1, 2011, that this provision does not meet the requirements of federal law for unemployment insurance modernization incentive funding.)

Financing

Provides that during fiscal years 2012 and 2013, if incentive payments under federal laws are credited to the state's account in the federal unemployment trust fund, money's for the payment of regular benefits shall be requisitioned in the following order:

- First from incentive payments credited to this state's account in the federal unemployment trust fund under federal laws, a total amount during the 2-year period consisting of fiscal years 2012 and 2013 that is equal to the total amount of temporary benefit increases. This shall not be construed as requiring that the total amount be requisitioned in each of these fiscal years; and
- Second, after the requisitioning required in the above dot point, from all other moneys credited to the state's account in the federal unemployment trust fund.

Provides that for rate year 2011 and thereafter, the calculation of the flat social cost factor may not result in a flat social cost factor that is more than 1.22 percent.

Provides that if on the cut-off date the balance in the unemployment compensation fund is determined to be an amount that will provide 10 months of unemployment benefits or less, the flat social cost factor for the rate year immediately following the cut-off date may not increase by more than 50 percent over the previous rate year or may not exceed 1.22 percent whichever is greater.

Provides that the \$25 increase to an individual's weekly benefit amount shall not be considered in calculating the benefit cost rate when determining the number of months of unemployment benefits in the unemployment compensation fund.

For contributions assessed for rate year 2011, provides that the sum of an employer's array calculation factor rate and the graduated social cost factor rate may not exceed 6 percent or for employers whose NAICS code is within "111," "112," "1141," "115," "3114," "3117," "42448," or "49312," may not exceed 5.4 percent. The graduated social cost factor rate adjustment (as an

add-on amount to the final tax rate) has been decreased and now for 2011 range from 40 percent for rate class 1 to 120 percent for rate classes 21 - 40. (Previously, the graduated social cost factor rate adjustment ranged from 78 percent for rate class 1 to 120 percent for rate classes 12 - 40.)

Provides that to calculate the flat social cost factor for rate years 2012 and 2013, the \$25 increase to the weekly benefit amount shall not be considered in calculating the total unemployment benefits paid to claimants in the 4 consecutive calendar quarters immediately preceding the computation date.

Monetary Entitlement

Provides, from March 6, 2011, through November 5, 2011, for an additional temporary benefit increase of \$25 for the minimum and maximum amounts payable for weeks of regular, extended, emergency, supplemental, or additional benefits.

Provides that for any weeks in which the individual is receiving training benefits he or she shall be paid with respect to such week a training benefit amount equal to his or her weekly training benefit amount less half of that part of the remuneration (if any) payable to him or her with respect to such week which is in excess of \$5. (Effective July 1, 2012, unless the U.S. Department of Labor determines by October 1, 2011, that this provision does not meet the requirements of federal law for unemployment insurance modernization incentive funding.)