

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

REPORT ON STATE LEGISLATION

REPORT NO. 6
December 2011

COLORADO HB 1288 ENACTED May 26, 2011
 (CH 248) EFFECTIVE July1, 2011, or as noted

Administration

Requires the Department of Labor and Employment to annually provide an update on the status of the unemployment trust fund by August 31, 2012, and by each August 31, thereafter, the Division of Employment and Training must report to several committees regarding the status of the fund. The report among other things must include from the prior calendar year: total fund revenue and expenditures, the highest and lowest trust fund balance and a comparison of those balances to the three solvency measures, total amount of overpayments paid and recovered, and an analysis of measure taken to reduce the total number and amount of overpayments and fraudulent payments.

Authorizes the Director of the Division of Employment and Training to enter into agreements with every agency of the U.S. charged with the administration of income or wage verification to exchange information as a method of controlling the overpayment of unemployment benefits.

Requires the development, no later than January 1, 2013, of an on-line computer application that allows employers to review and manage account information, which shall include at least the following:

- a method for employers to file contribution reports and make contribution payments;
- a method for employers to review account balances, charging history, contribution rates, and account status;
- a method for employers to change the physical address of an account, reinstate an account, and close an account; and
- a method for employers to receive and return division forms and correspondence.

Financing

Provides that the unemployment trust fund of the state is solvent when the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all Title XII advances have been repaid.

Increases the taxable wage base from \$10,000 to \$11,000 effective January 1, 2012. If the trust fund is solvent, the taxable wage base for calendar year 2013 is \$11,000, adjusted by the change in the average weekly earnings, rounded to the nearest \$100.

Repeals the 0.22 percent socialized surcharge which allocated 30 percent to the unemployment compensation fund, 50 percent to the employment support fund, and 20 percent to the employment and training technology fund effective when the fund balance is solvent effective when the unemployment fund is solvent.

Repeals the provisions concerning the rate of contributions with the rates depending on the state's fund balance of greater than or equal to \$450 million December 31 of the calendar year when the trust fund is solvent. Establishes a new standard contribution rate schedule containing new rates and a new solvency surcharge table, effective January 1 of the calendar year after the calendar year of the repealed provisions. Each employer shall pay contributions as follows.

- each employer's rate for the 12 months commencing January 1 of any calendar year shall be determined on the basis of the employer's record prior to the computation date for the year. The computation date for any calendar year is July 1 of the year preceding the calendar year for which the rate is computed.
- the total of all of an employer's contributions paid on his or her own behalf on or before 31 days immediately after the computation date and the total benefits that were chargeable to the employer's account and were paid before the computation date, with respect to weeks, or any established payroll period of unemployment, beginning before the computation date, shall be used to compute his or her contribution rate for the ensuing calendar year; except that the maximum rate for negative excess employers that is credited to the unemployment compensation fund shall be at least 6.13 percent assessed as part of each employer's contribution and for these employers the maximum combined contribution rate shall be at least 0.0628 but not greater than 10.39 percent. "Percent of excess" means the percentage resulting from dividing the excess of premiums paid over benefits charged by the average chargeable payroll, computed to the nearest 1.0 percent. The word "to" in the column headings, which make reference to fund balances (resources available for benefits), means "not including." "Reserve ratio" means the fund balance on any June 30 as a proportion of total wages reported by experience-rated employers.

Provides that the newly established Standard Contribution Rate Schedule reduces the 50-interval system to 26 intervals. The most favorable schedule has a reserve ratio of 1.4 percent or greater with rates for positive employers ranging from 0.51 percent to 2.71 percent and a reserve ratio equal to or less than zero, with rates ranging from 0.75 percent to 4.41 percent. The least favorable schedule has a reserve ratio of 1.4 percent or greater with rates for negative employers ranging from 3.46 percent to 6.28 percent, and a reserve ratio equal to or less than zero with rates ranging from 5.68 percent to 10.39 percent. The rates for unrated employers range from 2.96 percent to 4.65 percent. (The prior schedule provided rates for positive employers ranging from 0.0 percent to 2.0 percent when the trust fund balance was greater than or equal to \$450 million, and 1.0 percent to 2.7 percent with the trust fund balance was less than or equal to zero dollars; the rates for negative employers ranging from 2.8 percent to 5.4 percent when the trust fund balance was greater than or equal to \$450 million, and 3.0 percent to 5.4 percent with the trust

fund balance was less than or equal to zero dollars; and the rate for unrated employers was 2.7 percent.)

Provides that voluntary contributions shall allow for a reduction of the employer's experience rate.

Requires each employer to be notified of the employer's contribution rate as determined for the next calendar year by December 1 of each year, or as soon as practicable. (Prior law required notification as nearly as possible prior to the date upon which any premiums for each calendar year became due.)

Provides that new employers pay the same contribution as unrated employers, unless there have been 12 consecutive calendar months immediately preceding the computation date during which an employer's account has been chargeable with benefit payments. (Prior law provided that new employers pay tax at the standard rate then in effect or at the computed rate, whichever is higher, unless and until there have been 12 consecutive calendar months immediately preceding the computation date during which an employer's account has been chargeable with benefit payments.)

Requires those employers newly subject to the Colorado unemployment insurance law and assigned the 3-digit North American industry classification code 236, 237, or 238 for the construction industry to pay the same contributions as unrated employers at the actual experience rate, at a rate equal to the average actual experience rate, or at a rate equal to the average industry contribution rate, whichever is greater, unless there have been 36 consecutive calendar months immediately preceding the computation date. (Prior law provided that those employers newly subject to the Colorado unemployment insurance law and assigned the 3-digit North American industry classification code 236, 237, or 238 for the construction industry, unless and until there have been 36 consecutive calendar months immediately preceding the computation date shall pay contributions at the standard rate, at the actual experience rate, or at a rate equal to the average industry contribution rate, whichever is greater.)

Establishes a new Solvency Surcharge Rate Schedule, effective January 1 of the calendar year after the calendar year of the repealed provisions, with rates for positive employers ranging from 0.100 percent to 1.100 percent, and rates for negative employers ranging from 1.425 percent to 2.700 percent. The rate for unrated employers is 1.350 percent.

Repeals the solvency surcharge which was assessed when the fund balance on any June 30 was equal to or less than 0.9 percent effective December 31 of the calendar year when the trust fund is solvent. Assesses, effective January 1 of the calendar year after the calendar year of the repealed provisions, a solvency surcharge when the fund balance of the unemployment compensation fund on any June 30 is equal to or less than 0.5 percent multiplied by the total wages reported by experience-rated employers for the previous calendar year, or for the most recent available 4 consecutive quarters before the last computation date. The solvency surcharge will be assessed on all experience-rated employers beginning with the next calendar year, and the solvency surcharge is added to the employer's contribution rate. The solvency surcharge remains in effect until the June 30 fund balance in the unemployment compensation fund is equal to or

greater than 0.7 percent multiplied by the total wages reported by experience-rated employers for the calendar year, or for the most recent available 4 consecutive quarters.

Provides that for calendar year 2012, the incremental increase in the solvency surcharge will be applied, and an amount equal to the amount of the increase in the surcharge will be subtracted from the computation on the experience-rated employer's rate for the calendar year 2012. Repealed, effective January 1, 2014.

Defines the term "contribution credit" to mean the dollar amount discount available to eligible employers under the conditions set forth in the next paragraph to be applied against contributions due in any given calendar year. For purposes of computing an employer's future rate, any contribution credit claimed by an employer is disregarded, and the contribution that would otherwise be due is deemed paid.

Provides that an employer is eligible for a contribution credit of a proportionate amount of the excess of 1.6 percent of total covered wages only if all of the following conditions are met:

- as of the most recent computation date, the employer has filed all required reports and paid all contributions and surcharges due;
- the employer is not a negative excess employer;
- the employer has not elected to make reimbursement payments in lieu of contributions; and
- as of the computation date immediately preceding the calendar year for which the contribution credit is to be taken, the unexpended and unencumbered surplus balance in the unemployment compensation fund exceeded 1.6 percent of total wages reported by experience-rated employers. Amounts in excess of 1.6 percent of total covered wages are considered available for disbursement as part of the premium credit.

Provides that each employer that qualifies for the contribution credit receives a share of the total available contribution credit equal to his or her proportionate share of the total chargeable wages paid by qualifying employers.

Provides that any contribution credit remaining to an employer after the first year in which the contribution credit is applied is available to the employer in subsequent calendar years.

Provides that if, by reason of fraud, mistake, or clerical error, an individual receives benefits in excess of those to which he or she is entitled and the employer's account is charged, the employer's account shall be credited an amount equal to the benefits erroneously charged to the account. Repeals this provision if the trust fund balance is solvent.

Provides that a new employee leasing company shall annually certify and provide evidence to the department that it executed and filed a surety bond or deposit. The initial bond amount will be the standard premium rate, multiplied by 50 percent of the estimated projected chargeable payroll for the current calendar year as estimated by the employee leasing company. Repealed if the trust fund balance is solvent. Provides that on and after the repealed provision, the initial bond amount is the unrated premium rate multiplied by 50 percent of the estimated projected chargeable payroll for the current calendar year as estimated by the employee leasing company.

Provides that the employment support fund shall be credited with 50 percent of the premium surcharge beginning July 1, 1999. Repealed when the trust fund balance is solvent. Provides that on and after the repealed provision, this support fund shall consist of the first 0.11 percent assessed as part of each employer's contribution or the amount expended from the employment support fund in the year prior to the effective date of this paragraph adjusted by the percentage change in the average weekly earnings, whichever is less. Amounts in excess of the amount expended from the employment support fund must be transferred to the unemployment compensation fund in the year prior to the effective date of this paragraph, adjusted each year by the same percentage change in the average weekly earnings.

Provides that notwithstanding any provision to the contrary, beginning July 1, 2009, through December 31, 2016, 20 percent of the contribution surcharge shall be credited to the employment and training technology fund, which is hereby created in the state treasury. If the balance of the unemployment compensation fund falls below \$25 million, the moneys in the employment and training technology fund shall be allocated to the unemployment compensation fund. Repealed when the trust fund balance is solvent. Provides that on and after the repealed provision, 0.04 percent assessed against each employer's contribution or \$10 million of all revenue collected annually, whichever is less, shall be credited to the employment and training technology fund. Any amount collected in excess of \$10 million shall be credited to the unemployment compensation fund. If the balance of the unemployment compensation fund falls below \$100 million, the moneys in the employment and training technology fund shall be allocated to the unemployment compensation fund. Once cumulative revenue to the employment and training technology fund equals \$100 million, less any moneys transferred to the unemployment compensation fund, no additional moneys shall be credited to the employment and training technology fund but instead shall be allocated to the unemployment compensation fund.

Appropriates \$62,900 from the employment support fund for allocation for unemployment insurance programs, for the fiscal year beginning July 1, 2011, or so much thereof as may be necessary, for the implementation of the Colorado Employment Security Act.

Overpayments

Provides that the penalties associated with an overpayment shall be made known to individuals upon filing an unemployment claim.

Requires repayment of an overpayment that is a result of the individual's false representation or willful failure to disclose a material fact within 30 days of the final determination.

DISTRICT OF COLUMBIA

B 267
(Law No. 16)

ENACTED June 23, 2011
EFFECTIVE August 17, 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 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 on or after March 6, 2011, and ending December 31, 2011. (Expires March 29, 2012)

DISTRICT OF COLUMBIA B 621 ENACTED and EFFECTIVE December 23, 2011
(Act No. 264)

Extensions and Special Programs

Temporarily modifies the federal-state extended benefits (EB) program provisions concerning the EB “on” and “off” indicators, including the 3-year look-back indicators for both the mandatory insured unemployment rate (IUR) and the optional indicators based on the seasonally adjusted total unemployment rate (TUR) by providing that the State indicators shall remain in effect until the week ending 4 weeks prior to the last week for which the Federal government pays 100 percent of most EB costs under Section 2005(a) of the Assistance for Unemployed Workers and Struggling Families Act, approved February 17, 2009, without regard to the extension of federal sharing of certain claims as provided under Section 2005(c) of such Act. This provision is applicable as of December 4, 2011, and expires March 22, 2012. (The provision changes the expiration date from December 17, 2011, which is 3 weeks prior to the last week for which the Federal government pays 100 percent of most federal funding authorized and provided under Federal law.) (This is a temporary bill and is subject to congressional review.)

HAWAII SB 1088 ENACTED June 27, 2011
(Act No. 165) EFFECTIVE July 1, 2011

Nonmonetary Eligibility

Allows an individual who has established an unemployment compensation claim based on full-time employment to be found to have good cause for voluntarily separating from subsequent part-time employment based on any of the following conditions:

- Loss of full-time work made it economically unfeasible to continue part-time work;
- Part-time work was outside the individual’s customary occupation and would not be considered suitable work at the time the part-time work was accepted;
- Employer failed to provide sufficient advance notice of work schedule change;
- A real, substantial, or compelling reason, or a reason causing an employee desirous of maintaining employment, to take similar action and to try alternatives before terminating the employment relationship;
- Change in terms and conditions of employment;
- Discrimination that violates federal or state laws;
- Change in employee’s marital or domestic status;
- Acceptance of an offer of employment and the offer is withdrawn and the former employer refuses to rehire the employee;
- Mandatory retirement imposed by a collective bargaining agreement;
- Evidence of domestic or sexual violence; or
- Any other factor relevant to a determination of good cause.

Defines “part-time” to mean less than 20 hours per week or on call or casual or intermittent.

Defines “suitable work” to mean work in the individual’s usual occupation or work for which the individual is reasonably fitted.

Changes the law to now require that partial claimants to be exempt from work registration requirements and exempt from work search or modified work search requirements, if exempt from work registration requirements, even if no work is offered and no wages are earned for such period, as long as there is evidence of attachment to the regular employer. (Previously, the law allowed the exemptions.) In addition, the June 30, 2012, sunset date for the provisions related to partial unemployment is repealed.

ILLINOIS SB 72
(P. A. No. 621)

ENACTED and EFFECTIVE November 18, 2011

Administration

Eliminates specific requirements for location of State employment offices.

Provides that a quarterly report to the Employment Security Advisory Board is not required if the Master Bond Fund held a net balance of zero at the close of the preceding calendar quarter and there have been no deposits or expenditures in the immediately preceding 4 calendar quarters.

Provides that the Governor’s Office of Management and Budget may issue bonds on behalf of the Department of Employment Security upon written request of the Director.

Allows bonds to be issued to prevent the reduction of the employer credit provided under the Federal Unemployment Tax Act (FUTA). Raises the maximum principal amount of bonds to \$2,400,000,000 (was \$1,400,000,000).

Establishes a Social Security Retirement Pay Task Force to assess the impact of eliminating the disqualifying income provision for individuals receiving primary social security old age and disability retirement benefits. Report findings are due no later than December 31, 2012.

Provides that regulations may be drafted requiring an employing unit with 50 or more employees or an entity representing 5 or more employing units to file an allegation of ineligibility electronically.

Allows electronic notice to an individual for a disputed claim or an employer for benefit charges and contribution payments to be completed electronically if agreed to by the individual and the employing unit entitled to notice.

Provides that the Director may request the Secretary of the Treasury to withhold funds for overpayments made to an individual. Individuals shall be liable for any fee assessed by the Secretary.

Requires employers to report the first date of service by employees to the Directory of New Hires.

Provides that information may be released, upon request, to the Department of Central Management Services, Risk Management Division, for the purpose of determining employment status for a recipient of disability benefits or workers' compensation.

Allows electronic communication to an individual or an entity if the individual's or entity's personal information is not included in the communication.

Provides that the Director of the Illinois Department of Employment and Security may request the Secretary of the Treasury to withhold funds from an employer in default of payment or contribution. Employing units shall be liable for any fee assessed by the Secretary.

Requires administrative fees collected from individuals as a result of recoupment of benefits and from employers in default on contribution payments be utilized for unemployment insurance.

Allows the Department of Employment Security to utilize the Department of Revenue's process to assess a personal liability penalty for failure to file reports, unpaid contributions, or unpaid payments in lieu of contributions.

Financing

Eliminates the wage base adjustment for calendar years 2013-2019. Reduces the maximum amount of remuneration considered wages to \$12,900 (was \$13,560) for 2013 and \$12,960 for calendar years 2014-2019. If employer payments do not equal or exceed the loss to the State's account in the Trust Fund by March 1, 2013, the maximum amount of remuneration considered wages will be \$13,560.

Increases the adjusted state experience factor (above the calculated amount):

- 5 percent for calendar years 2013-2015;
- 6 percent for calendar years 2017;
- 19 percent for calendar years 2016 and 2018.

Changes the minimum employer contribution rate to 0.0 percent for calendar years 2012-2019 (was a minimum of 0.2 percent).

Effective calendar year 2012 and any year with outstanding bonds thereafter, adds a 0.55 percent (previously 0.4-.55 percent) fund building rate to the employer contribution rate. An outstanding bond year is determined on October 31.

Provides, effective the first quarter of calendar year 2013, payments attributable to the fund building rate shall be deposited in the Master Bond Fund.

Provides that the fund ratio table with Schedules A through I will be used for calendar year 2012 in determining and assigning each employer's contribution rate. Rates range from 0.75 percent to 10.2 percent for Schedule A and 0.0 percent to 5.4 percent for Schedule I.

Removes all references to skills 2016 training assessments.

KANSAS HB 2135
 (CH 81)

ENACTED May 12, 2011
EFFECTIVE July 1, 2011

Coverage

Changes the definition of employment to include service performed by an individual for wages or under a contract if the business for which the activities are performed retains the right to control the end result as well as the manner and means to accomplish the end result. (Deletes requirement for service to be performed outside the usual course of business or outside all of the places of business.)

Continues civil penalties, calculated according to state tax law, for individuals who intentionally misclassify an employee and adds additional penalties for subsequent violations:

- For a second violation, individual, upon conviction, will be guilty of a class C nonperson misdemeanor;
- For a third violation, individual, upon conviction, will be guilty of a class A nonperson misdemeanor.

Provides penalties are cumulative. Requires civil penalties assessed to be deposited in the State treasury.

Requires the department of Revenue to provide all relevant taxpayer information of persons suspected of misclassification of employees to the Secretary of Labor for use in making employment determination including, but not limited to:

- Withholding tax and payroll information;
- The identity of any person being audited or investigated;
- The results of audit or investigation.

Provides that all persons receiving tax information are subject to the confidentiality requirements imposed on the personnel of the Department of Revenue and subject to the civil and criminal penalties imposed for violation of such confidentiality.

KANSAS SB 77
 (CH 85)

ENACTED May 18, 2011
EFFECTIVE July 1, 2011

Financing

Extends use of the 2010 tax rate computation table that calculates the employer experience factor through 2014.

Changes the surcharge for negative balance employers from 2 percent to create a range based on the employer's reserve ratio ranging from .2 percent to 2 percent.

Creates an interest assessment surcharge for negative balance employers. For calendar year 2012-2014:

- employers with a negative reserve ratio under 20 percent will receive an additional .10 percent interest assessment surcharge;
- employers with a negative reserve over 20 percent will pay a surcharge ranging from 2.2 percent to 4 percent.

Provides that funds from the surcharge shall be used to pay principal and interest due on Title XII advances. For calendar year 2012 and after, the surcharge paid by employers with a negative reserve ratio of 20 percent and higher shall be designated an interest assessment surcharge and deposited in the interest assessment fund. For any succeeding years that interest is due, the Secretary of Labor may adjust the surcharge as necessary.

Provides that the portion of the surcharge used for the payment of interest shall not be included in the calculation of the employer's reserve ratio.

Provides that amounts collected with the interest assessment surcharge that are in excess of the amount needed to pay interest due shall remain in the employment security interest assessment fund to pay future interest. When the secretary certifies that all interest has been paid, any excess funds shall be transferred to the employment security trust fund to pay any remaining principal due. Any amount transferred that exceeds the principal shall be used for the purposes of the employment security trust fund.

Extension 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) for weeks of unemployment beginning on or after December 17, 2010, and ending on or before December 31, 2011, or beginning after the date established in federal law permitting this provision for which the Federal Government pays 100 percent of most EB costs authorized by Federal law.

Monetary Entitlement

Eliminates the provision allowing payment for the waiting week upon completion of three consecutive weeks of unemployment.

Nonmonetary Eligibility

Amends the trailing spouse statute to limit eligibility for benefits to an individual whose spouse is a member of the armed forces.

MARYLAND SB 882
(CH 170)

ENACTED May 10, 2011
EFFECTIVE October 1, 2011

Extensions and Special Programs

Adopts the optional federal-state extended benefits (EB) provisions in its law based on the seasonally adjusted total unemployment rate (TUR) providing for up to 13 weeks of EB if the average TUR for the most recent 3 months is at least 6.5 percent and is 110 percent of the rate for the corresponding 3-month period in either or both of the 2 previous calendar years. Provides for up to an additional 7 weeks of EB if the state is in a high unemployment period. (The average TUR is at least 8 percent and is 110 percent of the rate for the corresponding 3-month period in either or both of the 2 previous years.) This provision is effective for weeks of unemployment beginning after January 2, 2010, until the week ending 4 weeks prior to the last week for which the Federal government pays 100 percent of most EB costs without regard to the phaseout of Federal sharing for claims as provided in 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 the optional indicators based on the seasonally adjusted total unemployment rate (TUR) for weeks of unemployment beginning after January 1, 2011, and ending on December 31, 2011, or the expiration date provided in Federal law, whichever is later.

Establishes the Extended Benefits Fund, funded from general revenues and other non-unemployment insurance sources, the purpose of which is to reimburse counties and municipal corporations for the net costs of EB claims.

MICHIGAN SB 483
(Act No. 267)

ENACTED AND EFFECTIVE December 19, 2011

Financing

Creates the Michigan Finance Authority (MFA) to issue bonds to raise sufficient funds to:

- Reduce or avoid the state’s need to borrow federal advances for the state’s unemployment trust fund;
- Repay principal and interest on outstanding federal advances for the state’s unemployment trust fund;
- Provide for a surplus in the state’s unemployment trust fund without advances from the federal government before January 1, 2014;
- Directly pay unemployment insurance benefits before January 1, 2014;
- Pay for financing costs associated with issuing, securing, and marketing bonds; and
- Provide sufficient reserves under indenture or federal requirements to minimize impact on unemployment insurance tax rates.

Provides that bonds issued by the MFA are limited to the principal amount necessary to satisfy the state's obligations for federal advances to the unemployment trust, including reserves, financing costs, and reimbursement to the state for payments of its federal advance obligations until December 31, 2013. The limitation does not apply to bonds issued to refinance or refund bonds issued before December 31, 2013.

MISSOURI

HB 136

ENACTED July 14, 2011

EFFECTIVE August 28, 2011

Financing

Provides that benefits paid to spouses who voluntarily quit to accompany a member of the United States Armed Forces or a member of the national guard due to a mandatory and permanent military transfer will not be charged to a specific employer. These benefits would be charged to a "pool" and the costs spread among all employers.

Nonmonetary Eligibility

Provides that a spouse of an active member of the United States Armed Forces or a member of the national guard who voluntarily quit work to relocate with the military spouse due to a mandatory and permanent military transfer and it is impractical for the spouse to commute from the new residence to work and the spouse remained employed as long as was reasonable prior to the move has good cause for leaving employment and shall not be disqualified for waiting week credit or benefits.

NEW HAMPSHIRE

SB 62

ENACTED May 19, 2011

(CH 82)

EFFECTIVE July 1, 2011

Coverage

Exempts all individuals who participate in the return to work program from the definition of employment. Requires participants in the return to work program be at least 18 years old and registered with the department of employment security to receive employment services.

Provides that a participant in the return to work program that incurred a disability while participating in such program, if deemed eligible, shall receive unemployment benefits while otherwise eligible, or compensation equivalent to 90 percent of her/his weekly benefit amount if the disability causes the participant to become ineligible for benefits.

NEW JERSEY

AB 3819

ENACTED and EFFECTIVE June 29, 2011

(CH 81)

Financing

The 2012 taxable wage base for employers in this group will be \$19,600. The taxable wage base for tax year 2011 was \$19,000

Notwithstanding the above, the taxable wage base for employers with reserve account percentages of -24.00 or less shall be \$1,500 above the taxable wage base computed for all other employers under the above paragraph for the tax years beginning January 1, 2012, and thereafter. The 2012 taxable wage base for employers in this group will be \$21,100. (Under prior law, the taxable wage base for all covered employers was determined by the amount of the employment security fund on September 30 of each calendar year, and that taxable wage base was effective for the tax year immediately following the determination date.)

Changes the computation of the weekly benefit amount to 4.38 percent of the average quarterly wage paid to the individual in the 2 highest calendar quarters of the base period from 4.62 percent of the wages paid to the individual in that highest calendar quarter of the base period for benefit years beginning on or after July 1, 2012, and prior to July 1, 2013.

Changes the computation of the weekly benefit amount to 4.15 percent of the average quarterly wage paid to the individual in the 2 highest calendar quarters of the base period for benefit years beginning on or after July 1, 2013, and prior to July 1, 2014.

Changes the computation of the weekly benefit amount to 3.85 percent of the average quarterly wage paid to the individual in the 2 highest calendar quarters of the base period for benefit years beginning on or after July 1, 2014.

Provides that the maximum weekly benefit amount prior to July 1, 2012, shall not be more than 67 percent of the average weekly wage paid to individuals in covered employment for the preceding calendar year ending December 31 which resulted in the maximum weekly benefit amount equaling \$566. Provides, further, that the maximum weekly benefit amount on or after July 1, 2012, shall not be more than 57.5 percent of the average weekly wage paid to individuals in covered employment for the preceding calendar year ending December 31 or the maximum weekly benefit amount that was in effect as of July 1, 2011, whichever is the highest. The maximum weekly benefit amount remains at \$566 on or after July 1, 2012.

Changes the formula for calculating the total amount of benefits entitlement from 36 percent of base period wages to 33 percent of an individual's base period wages, effective July 1, 2012.

Nonmonetary Eligibility

Changes the earnings requirement individuals need to requalify if disqualified for a voluntary quit, discharge for misconduct, or refusal of suitable work from must have worked 8 weeks in covered employment with earnings in each week equaling 20 times the minimum hourly wage to must have worked 8 weeks in covered employment with earnings in each week greater than or equal to their weekly benefit amount, effective for benefit years beginning on or after July 1, 2012.

Changes the law concerning severance or dismissal pay by providing that any remuneration received by an employee from his or her employer in the form of severance or dismissal pay, whether or not the employer is legally required to pay that remuneration, shall be allocated on a weekly basis from the individual's last day of work for a period not to exceed 26 weeks, and the individual will not be entitled to receive benefits for any such week for which it has been determined that the individual received severance or dismissal pay. Such severance or dismissal pay, if the employer does not specify a set number of weeks, shall be allocated using the individual's weekly benefit amount, effective for benefit years beginning on or after July 1, 2012. Prior law provided that severance or dismissal pay shall be deemed to be wages paid on the last day of employment for services performed prior to that date.

SOUTH CAROLINA HB 3762 ENACTED and EFFECTIVE June 14, 2011
(Act No. 63)

Monetary Entitlement

Reduces the maximum number of benefit weeks from 26 to 20.

TENNESSEE HB 2156 ENACTED and EFFECTIVE June 1, 2011
(CH 391)

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 December 17, 2010, and ending on or before December 31, 2011, or until the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by Federal law.