



Research BULLETIN



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STATE UNEMPLOYMENT INSURANCE LEGISLATION AND ADMINISTRATIVE CHANGES ADOPTED IN 2012

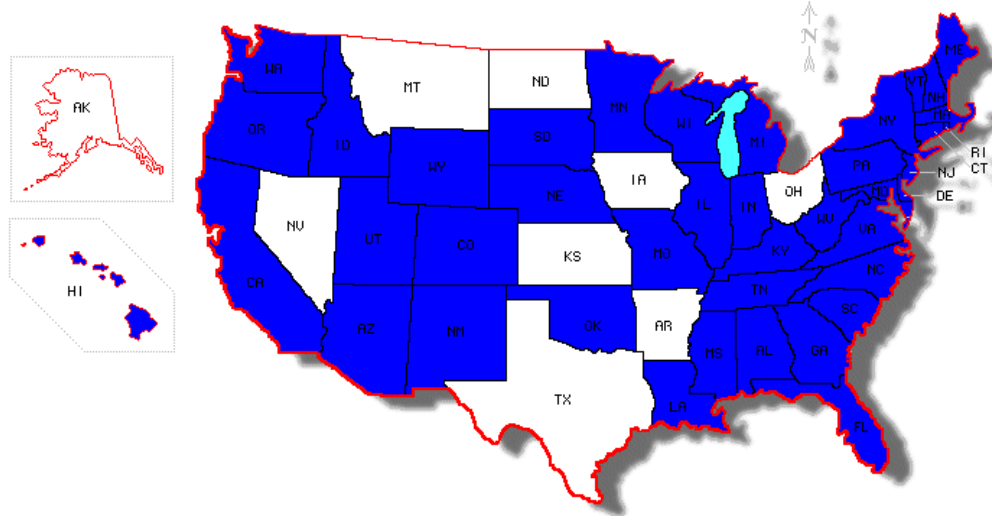
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Map of States Enacting Legislative Changes in 2012



Executive Summary

Legislation was enacted in 2012 in all but nine states. Some changes were made to qualify for federal funds available pursuant to the American Recovery and Reinvestment Act of 2009 while others related to solvency or automatic triggers in existing state law. A trend analysis of these developments is provided in the summary below. A detailed summary of the legislative and administrative changes in the 50 states, District of Columbia, Puerto Rico and the U.S. Virgin Islands follows.

Taxable wage base

The taxable wage base was modified in the following states: AK, CO, GA, HI, ID, IL, IA, KY, MN, MT, NV, NJ, NM, NC, ND, OK, OR, PA, RI, SC, SD, UT, VI, WA, WI and NY.

Minimum and Maximum Tax Rate

The following states modified the current minimum or maximum tax rate on employers: AZ, CO, FL, HI, ID, IL, IN, IA, ME, MD, MI, NE, NH, NJ, ND, OH, PA, SC, SC, TN, UT, VA, WA, WI and WY.

Rates for New Employers

States that modified the rate for new employers: AK, AR, CO, HI, IL, KS, ME, MD, NE, NJ, ND, OH, OK, PA, RI, SC, VA, WA and WI.

Surcharges or Assessments

The following states modified surcharges or assessments levied upon employers for issues such as job training, solvency or to pay interest on federal loans: AK, CO, CT, FL, GA, HI, ID, IL, IN, KY, MI, MN, MO, NC, PA, SC, TN, UT, WA and WY.

Bonding UI Debt

The following states passed legislation related to bonding existing or future UI debt: PA.

UI Eligibility

The following states amended requirements for UI eligibility: AZ, AR, CT, IL, IA, ME, MN, MT, NE, NM, NC, OH, OR, PA, RI, TN, TX, UT, VT, VA, WA and WY.

Exemptions from Coverage

HI (domestic services for persons with developmental and intellectual disabilities), **ID** (corporate officer registration exempt for 2 years), **MS** (direct seller), **OR** (passenger motor vehicle operated as taxi cab, or non-emergency medical transportation), **SC** (substitute teachers) and **VT** (newspaper deliverers).

Seasonal Employment

The following states modified law related to seasonal employment: NM and TN.

Minimum or Maximum Weekly Benefit Amount

The following states changed the minimum or maximum weekly benefit amount for claimants: AZ, AR, CO, CT, HI, ID, IL, IN, IA, KS, ME, MN, MT, NE, NV, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SD, TX, UT, VT, WA, and WY.

Duration of Benefits

The following states amended state law regarding the duration of benefits: AR, CO, CT, ID, IL, IN, IA, LA, ME, MN, MT, NE, NJ, NM, NC, ND, OH, OK, OR, PA, SD, TX, UT, VT, WA and WY.

Extended Benefits (EB)

The following states extended the total unemployment rate (TUR) as an optional “on” trigger for EB (many states make the trigger effective as long as 100% of federal funding is available): DC, NJ, NC, PA.

Dependent Allowance

The following states added a provision or amended state law relating to dependence allowance for UI claimants: CT, IL, IA, ME, NJ, NM, OH, PA and RI.

Compelling Family Reasons

The following states modified the law to permit workers to qualify for UI if the claimant is separated from work due to: MN.



Relocation with Spouses

The following states amended the law to provide UI benefits for a worker that voluntarily leaves work to relocate with a spouse or military spouse to a new location: AL, NM, SD, TN, UT, WV and WI.

Approved Training

The following states modified UI benefit eligibility for claimants in an approved training program: RI and WI.

Work Sharing Plans (Short-time Compensation)

The following states implemented or modified state work sharing provisions: AR, CA, ME, MI, NJ and PA.

Employee Misclassification

The following states amended their state law regarding employee classification versus independent contractors: AZ, CA, ME, MD, RI and TN.

Fraud or Overpayments

The following states made changes regarding fraud or overpayments: AL, CA, FL, IL, LA, ME, NE, NH, NC, OK, TN and WV.

Penalties or Disqualification

The following states amended their state law regarding employer or claimant penalties or disqualification from benefits: AR, DC, FL, IL, IN, KS, KY, LA, ME, MA, MN, MS, MO, NE (illegal drugs or alcohol), NH, NC, OK, PA, SC, TN (refusing or failing a drug test), TX, UT, VT, WV and WI.

Work Search and Reemployment Services

The following states amended their state law regarding work search or reemployment service provisions: AZ, CO, FL, LA, ME, MD, MS, MO, MT, NE, NM, OH, OK, OR, PA, SD and WI.

Suitable Work

The following states modified what constitutes “suitable work” or penalties for refusing suitable work: AZ, ME, NH, TN and WI.

Appeals

The following states modified the law related to UI appeals or hearings: AZ, AR, HI, MI, NE, NM, NY, NC, VA and WY.



ALABAMA*– Amended Statute***Legislation:**

■ **HB 72** was signed by Alabama Governor Robert Bentley on May 1, 2012. The bill: (1) would require a 52-week disqualification until the fraud overpayment has been paid in cash; (2) provide that federal and state income intercepts used to satisfy overpayments will be considered cash payments; and (3) establishes a 2% per month interest rate to be assessed on all unpaid fraudulent overpayment balances. Click [here](#) for a copy of **HB 72**.

■ **HB 121** was signed by Alabama Governor Robert Bentley on May 16, 2012. The bill permits spouses of active duty members of the military who receive change of station orders, activation orders, or unit deployment orders to receive unemployment benefits if they voluntarily quit working in order to relocate. Click [here](#) for a copy of **HB 121**.

■ **SB 300** was signed by Alabama Governor Robert Bentley on May 1, 2012. The bill requires an individual to serve a one-week waiting period with no benefits payable during the first compensable week within a benefit year and the waiting week shall not be counted as a week of unemployment. Click [here](#) for a copy of **SB 300**.

Administrative Changes: None.

ALASKA*– Made
Administrative
Changes*

Legislation: None.

Administrative Changes:

- ◆ Increased the taxable wage base from \$35,800 to \$36,900.
- ◆ Increased the average industry tax rate for new employers from 1/87% to 2.64%.
- ◆ Increased the minimum rate for the lowest schedule from 1.00% to 1/54%.
- ◆ Increased the employee surtax rate from 0.66% to 0.68%.

ARIZONA*– Amended Statute
and Made
Administrative
Changes***Legislation:**

■ **HB 2150** was signed by Arizona Governor Jan Brewer on March 29, 2012. The bill further relates to distinguishing between an employee and independent contractor for the purposes of the state employment security law by clarifying the definition of employee and indications of control by the employing unit to include controlling the individual's hours of work, location of work, right to perform services for others, tools, equipment, materials, expenses and use of other workers and other indicia of employment. Click [here](#) for a copy of **HB 2150**.

■ **HB 2248** was signed by Arizona Governor Jan Brewer on March 20, 2012. The bill requires employers to submit a report to DES containing the date the newly hired, rehired or returning employee first performed services for pay. Click [here](#) for a copy of **HB 2248**.

■ **HB 2519** was signed by Arizona Governor Jan Brewer on April 3, 2012. The bill: (1) changes the requirement in current statute for a final check to be provided to a terminated employee by the end of the next regular pay period instead of the current three day requirement; (2) stipulates that when the FUTA rate is above 6%, prior to the credits an Arizona employer receives, the job training tax does not apply to the following employer groups: (a) employers with a positive reserve ratio of at least 13%, (b) employers with a positive reserve ratio of at least 12%; and (c) employers with the start-up rate of 2% or 2.7%; (3) outlines that an individual is considered available for work if they have engaged in a systematic and sustained effort to obtain work during at least four days of the week, and they have made at least three work search contacts per week; (4) ties the calculation of an individual's highest quarter of the base period to the state's minimum wage at the time they file a claim for benefits; (5) requires UI claimants to actively search for work; (6) provides that claimants have effectively refused an offer of suitable work if the offer is withdrawn due to a positive pre-employment drug test result, or refusal to submit to a drug test as a condition of employment; (7) clarifies that a for-profit charter school employee is not eligible for UI benefits for any week of employment that begins during a period between two successive academic years or terms, or any holiday or vacation period if there is reasonable assurance that the individual will perform the same services in the second of the academic years or terms; and (8) entitles the employee to a retroactive payment of denied benefits if

the individual was not offered a return to employment for the second successive year or term as long as the weekly benefit claims were filed in a timely manner. Click [here](#) for a copy of **HB 2519**.

■ **HB 2628** was signed by Arizona Governor Jan Brewer on April 11, 2012. The bill clarifies that educational service agencies are not required to pay unemployment insurance (UI) for periods between two successive academic years or terms. Click [here](#) for a copy of **HB 2628**.

Administrative Changes:

- ◆ Decreased minimum rate on highest schedule from 2.85% to 0.02%.
- ◆ Increased maximum current tax from 6.38% to 6.67%.
- ◆ Increased wages required for minimum benefits from \$2,250 to \$4,563 in the base period, and from \$1,500 to \$3,042 in the high quarter.
- ◆ Increased weekly benefit amount from \$60 to \$122.
- ◆ Increased the time limit for both first and second state appeals filings from 15 days to 30 days.

ARKANSAS

– Made
Administrative
Changes



Legislation: None

Administrative Changes:

- ◆ Decreased the wages required for minimum benefits from \$2,870 to \$2,835 in the base period, and from \$717.50 to \$708.75 in the high quarter.

- ◆ Decreased the minimum weekly benefit amount from \$82 to \$81.
- ◆ Decreased the maximum weekly benefit amount from \$457 to \$451.
- ◆ **Requirements for Minimum Benefits:** Decreased the minimum wage credits required for maximum weekly benefit amount from \$11,882 to \$11,726 in the high quarter, and from \$15,995 to \$15,785 in the base period. Decreased the maximum potential benefits from \$11,425 to \$11,275.
- ◆ **Duration of Benefits:** Decreased the maximum potential benefit amount from \$11,425 to \$11,275. Decreased the wage credits required for maximum potential benefits from \$11,882 to \$11,726 in the high quarter, and from \$47,985 to \$47,008 in the base period.
- ◆ Decreased the limits on number of weeks for worksharing plans from 26 to 25.

CALIFORNIA

– Amended Statute



Legislation:

■ **AB 174** was signed by California Governor Jerry Brown on September 30, 2012. The bill: (1) requires the Director of Employment Development to enable the State Department of Health Care Services, the California Health Benefit Exchange, the Managed Risk Medical Insurance Board, and county departments and agencies to obtain information regarding employee wages, California employer account numbers, employer reports of wages, and number of

employees, and disability insurance and unemployment insurance claim information, and (2) maintains that such UI information remains confidential if not used for such specified purposes. Click [here](#) for a copy of **AB 174**.

■ **AB 1794** was signed by California Governor Jerry Brown on September 30, 2012. The bill authorizes the Employment Development Department to release new employee wage information reported for unemployment compensation purposes to the Joint Enforcement Strike Force on the Underground Economy, the Contractor's Licensing Board, and the State Compensation Insurance Fund. Click [here](#) for a copy of **AB 1794**.

■ **AB 1845** was signed by California Governor Jerry Brown on September 29, 2012. The bill: (1) provides that an employer's reserve account is not relieved of charges relating to a benefit overpayment established on or after October 22, 2013, if the department determines that the payment was made because the employer, or an agent of the employer, was at fault for failing to respond timely or adequately to requests of the department for information relating to a claim for UI benefits; (2) provides that the cost of benefits charged to an employer under that election include credits of benefit overpayments actually collected by the department, unless the department determines that the payment was made because the entity, or an agent of the entity, was at fault for failing to respond timely or adequately to requests of the department for information relating to a claim for unemployment compensation benefits; and (3) requires each employer to report the hiring of any employee who previously worked for the employer, but had been separated from such prior employment for at least 60 consecutive days. Click [here](#) for a copy of **AB 1845**.

■ **AB 2659** was signed by California Governor Jerry Brown on September 20, 2012. The bill would require the Director of Employment Department to develop and implement an outreach plan designed to provide information and inform employers of the state shared work program. Click [here](#) for a copy of **AB 2659**.

■ **SB 691** was signed by California Governor Jerry Brown on September 30, 2012. The bill permits the claimant information obtained in the administration of the state UI law to be shared with the Contractors' State License Board and the Agricultural Labor Relations Board. Click [here](#) for a copy of **SB 691**.

■ **SB 1291** was signed by California Governor Jerry Brown on September 7, 2012. The bill: (1) extends the repeal date of the California Training Benefits Program to January 1, 2019; (2) requires a determination of automatic eligibility for benefits under the Program to be issued to an unemployed teacher who is otherwise eligible for unemployment benefits, if the Director of Employment Development finds that the unemployed teacher is a permanent or probationary public school teacher who participates in a credential preparation program or training program approved or accredited by the Commission on Teacher Credentialing for additional certification in math, science, or special education, for kindergarten and grades 1 to 12 and was laid off; (3) makes changes operative on January 1, 2014; and (4) makes an appropriation because such changes will result in additional amounts being payable from the Unemployment Fund for those benefits. Click [here](#) for a copy of **SB 1291**.

Administrative Changes: None.

COLORADO

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 1120** was signed by Colorado Governor John Hickenlooper on March 19, 2012. The bill creates a new Division of Unemployment Insurance (UI division) within the Department of Labor and Employment (Department) and tasks the UI division with administering the unemployment compensation program. The Division of Employment and Training (E&T division) is placed in a separate statute and is tasked with administering the work force development program. The E&T division in the Department is currently tasked with administering both the unemployment compensation program and the work force development program within the Department. Click [here](#) for a copy of **HB 1120**.

■ **HB 1127** was signed by Colorado Governor John Hickenlooper on March 19, 2012. The bill eliminates a new employer rate increase enacted in HB 1088 during the 2011 Session and keeps the rate at 1.7% after solvency in the unemployment insurance fund is reached. Click [here](#) for a copy of **HB 1127**.

Administrative Changes:

- ◆ Increased the taxable wage base from \$11,000 to \$11,300.
- ◆ Adjusted the range of rates in the lowest schedule from 0.00%-5.40% to 0.51%-6.28%.
- ◆ Adjusted the range of rates in the highest schedule from 0.10%-5.40% to 0.75%-10.39%.

- ◆ Increased the minimum current tax rate from 0.10% to 0.62%.
- ◆ Increased the maximum current tax rate from 5.40% to 8.15%.
- ◆ Adjusted the solvency surcharge from 0.011% to 0.10-2.70%.
- ◆ Increased the maximum weekly benefit amount range from \$445-500 to \$466-513.
- ◆ Increased the minimum wage credits required for maximum weekly benefit from \$19,283.33 to \$26,675 in the high quarter, and from \$50,856 to \$53,352 in the base period.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$10,946 to \$13,338. Increased the wage credits required for maximum potential benefits from \$16,587 to \$26,675 in the high quarter, and from \$49,608 to \$53,352 in the base period.

CONNECTICUT

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 5232** was signed by Connecticut Governor Dan Malloy on June 15, 2012. The bill permits conducting certain proceedings relating to claims for unemployment compensation benefits via telephone or other electronic means rather than in person. Click [here](#) for a copy of **HB 5232**.

■ **SB 258** was signed by Connecticut Governor Dan Malloy on May 31, 2012. The bill requires the Administrator to establish: (1) a UI Trust Fund balance tax rate sufficient to maintain a balance that results in an average high cost multiple (AHCM) greater than or

equal to 0.5 for 2013; (2) a fund balance tax rate that results in an AHCM that is increased by 0.1 from the preceding calendar year for years 2014 through 2018; (3) a fund balance tax rate that results in an AHCM greater than or equal to 1.0 for year 2019 and beyond; and (4) a fund balance rate sufficient to eliminate a fund balance in excess of the 1.0 AHCM. Click [here](#) for a copy of **SB 258**.

Administrative Changes:

- ◆ Adjusted the method of computing weekly benefit amount from 1/52 of 2HQ's + d.a. to 1/26 of 2HQ's + d.a.
- ◆ The maximum weekly benefit increased from a range of \$573-648 to a range of \$591-666.
- ◆ The maximum weekly benefit increased from a range of \$573-648 to a range of \$591-666.
- ◆ Increased the WBA maximum as a percent of the state average work week from 60% to 70%.
- ◆ Increased the minimum wage credits required for maximum weekly benefits from \$14,898 to \$15,366 in the high quarter, and from \$22,920 to \$23,640 in the base period.
- ◆ **Dependent allowance:** Increased the maximum weekly basic benefit amount from \$573 to \$591, and increased the maximum potential benefits from \$14,898 to \$15,366 without dependents and from \$16,848 to \$17,316 with dependents.
- ◆ **Duration of Benefits:** Increased the maximum amount of potential benefits range from \$14,898-\$16,848 to \$15,366-\$17,316. Increased the wage credits required for maximum benefits from \$14,898 to \$15,366 in the high quarter, and from \$22,920 to \$23,640 in the base period.



DELAWARE*– Amended Statute***Legislation:**

■ **HB 329** was signed by Delaware Governor Jack Markell on July 18, 2012. The bill changes the composition, compensation and conduct which may warrant removal from the UI Appeals Board. Click [here](#) for a copy of **HB 329**.

Administrative Changes: None.

DISTRICT OF COLUMBIA*– Amended Statute***Legislation:**

■ **B19-486** was signed by DC Mayor Vincent C. Gray on March 19, 2012. The bill states that no employer or employment agency shall: (1) fail or refuse to consider for employment, or fail or refuse to hire, an individual as an employee because of the individual's status as unemployed; or (2) publish, in print, on the Internet, or in any other medium, an advertisement or announcement for any vacancy in a job for employment that includes: (a) any provision stating or indicating that an individual's status as unemployed disqualifies the individual for the job; or (b) any provision stating or indicating that an employment agency will not consider or hire an individual for employment based on that individual's status as unemployed. In addition, the bill creates civil administrative penalties for employers or employment agencies that violate the new law

in the amount of \$1,000 per claimant for the first violation of, \$5,000 per claimant for a second violation, and \$10,000 per claimant for each subsequent violation, but not to exceed a total of \$20,000 per violation. The DC Office of Human Rights shall collect the penalty from the violator and distribute the funds collected among any employee or potential employee who filed a claim regarding a violation of this act. Click [here](#) for a copy of **B19-486**.

■ **B 621** was signed by DC Mayor Vincent Gray on December 23, 2011. The bill is emergency legislation in effect for 90 days from December 4, 2011 that keeps the state indicators in effect until four weeks prior to the last week of unemployment which 100% federal funding is provided. Click [here](#) for a copy of **B 621**.

■ **B 622** was signed by DC Mayor Vincent Gray on January 12, 2012. The bill is temporary legislation in effect for 225 days from the date Mayor Gray signs the bill that keeps the state indicators in effect until four weeks prior to the last week of unemployment for which 100% federal funding is provided. Click [here](#) for a copy of **B 622**.

■ **B 679** was signed by DC Mayor Vincent C. Gray on March 3, 2012. The bill keeps the state "on" indicators in effect until four weeks prior to the last week 100% federal funding is provided for extended benefits. Click [here](#) for a copy of **B 679**.

■ **PR 582** was signed by DC Mayor Vincent C. Gray on February 7, 2012. The emergency bill keeps the state "on" indicators in effect until 100% federal funding is provided for extended benefits until Congressional action to extend such benefits. Click [here](#) for a copy of **PR 582**.

Administrative Changes: None.

FLORIDA

– Amended Statute
and Made
Administrative
Changes

**Legislation:**

■ **HB 7027** was signed by Florida Governor Rick Scott on March 28, 2012. The bill: (1) rebrands the state Unemployment Compensation (UC) system as a “Reemployment Assistance Program”; (2) requires the Department of Economic Opportunity (DEO) to establish a numeric score on the initial skills review which demonstrates a minimum proficiency in workforce skills; (3) provides a claimant with the option to undergo workforce skills training if he or she scores below this standard; (4) reduces the taxable wage base for employer UC taxes by \$500 from \$8,500 to \$8,000 for tax years 2012 through 2014; (5) extends the positive adjustment factor recoupment period from three years to five years through 2017; (6) establishes a work group to review the program and provide recommendations to the Legislature limited to the tax structure and long-term solvency of the UC program; (7) extends the federally-funded temporary extended benefits program through the end of the year; (8) allows a professional employer organization (PEO) to make a one-time irrevocable election to calculate, report, and pay state UC taxes under the respective unemployment account of each client; (9) clarifies that certain requirements for employees of an educational institution to receive UC benefits are also applicable to employees of a private employer holding a contractual relationship with an educational institution; (10) reduces the number of weekly employer contacts from five to three for individuals that reside in a small county; (11) clarifies how a disqualification for benefits for

fraud is imposed; (12) prohibits benefits from being charged to the employment record of an employer that is forced to lay off workers as a result of a manmade disaster of national significance; (13) revises the statute of limitations related to the collection of UC benefit overpayments; (14) deletes an exemption from public records requirements for UC records and reports; and (15) revises an exemption from public records requirements for UC records and reports. Click [here](#) for a copy of **HB 7027**.

Administrative Changes:

- ◆ Decreased the minimum tax rate from 1.51% to 1.02%.

GEORGIA

– Amended Statute
and Made
Administrative
Changes

**Legislation:**

■ **HB 347** was signed by Governor Nathan Deal on May 2, 2012. The bill: (1) increases the taxable wage base from \$8,500 to \$9,500 effective January 1, 2013; (2) freezes an overall rate increase to 50 percent when the State-wide Reserve Ratio is less than 1.25 percent, but imposes the 50 percent rate increase when the state has an outstanding federal UI loan balance and the Unemployment Compensation Fund balance is less than \$1 Billion; (3) states the maximum benefits payable shall be the lesser of (a) 14 times the weekly benefit amount if the state unemployment rate is at or below 6.5 percent with an additional weekly amount added for each 0.5 percent increment in the state’s average UI rate above 6.5 percent up to a maximum of 20 times the WBA if the state UI rate equals or

exceeds 9 percent, or (b) one-fourth of base period wages; and (4) states the state's average unemployment rate effective between April 1 and April 30 shall be effective from July 1 through December 31 and between October 1 and October 31 shall be effective from January 1 through June 30. The bill becomes effective on July 1, 2012. Click [here](#) for a copy of HB 347.

Administrative Changes:

- ◆ Increased the taxable wage base from \$8,500 to \$9,500.
- ◆ Increased the surtax for solvency increase from 35% to 50%.

HAWAII

– Amended Statute and
Made Administrative
Changes



Legislation:

■ HB 2096 was signed by Hawaii Governor Neil Abercrombie on March 9, 2012. The bill: (1) sets the maximum weekly benefit amount at seventy-five (75) per cent of the average weekly wage from April 1, 2012 to December 31, 2012; (2) sets the employer contribution rate at schedule F for calendar year 2012; (3) authorizes the Department of Labor and Industrial Relations director to accept loans from the State Director of Finance or from the federal government under Title XII of the Social Security Act; and (4) authorizes the Department of Labor and Industrial Relations director to increase the employment and training assessment in increments of .01 per cent retroactive to January 1, 2012, for payment of interest on federal loans for unemployment insurance benefits. Click [here](#) for a copy of HB 2096.

■ HB 2264 was signed by Hawaii Governor Neil Abercrombie on July 10, 2012. The bill

permanently increases the contribution rates for employers up from a maximum of 5.4 percent to a maximum of 6.6 percent effective January 1, 2013. Click [here](#) for a copy of HB 2264.

■ HB 2576 was signed by Hawaii Governor Neil Abercrombie on April 11, 2012. The bill clarifies that employer's contribution rate notices should be appealed to the Employment Security Appeals Referees' Office (ESARO). Existing law does not specifically identify ESARO as the agency responsible for allowing or denying the review or conducting the hearing. Under existing law, an employer has 15 days after the contribution rate notice is mailed to file an application for review and redetermination. If the department grants the review, a fair hearing is held and the department's redetermination is final unless proceedings are commenced in circuit court. Click [here](#) for a copy of HB 2576.

■ SB 2833 signed by Hawaii Governor Neil Abercrombie on June 26, 2012. The bill provides an exemption from the definition of "employment" for domestic services for persons with developmental and intellectual disabilities. Click [here](#) for a copy of SB 2833.

Administrative Changes:

- ◆ Increased the taxable wage base from \$38,800 to \$39,600.
- ◆ Decreased the tax rate for new employers from 5.20% to 4.60%.
- ◆ Increased the maximum tax rate for both the lowest and highest schedule from 5.40% to 6.60%.
- ◆ Decreased the minimum tax rate from 2.40% to 1.80%.
- ◆ Increased the maximum tax rate from 5.40% to 6.40%.

- ◆ Increased the employment and training surtax rate from 0% to 0.01%.
- ◆ Increased the maximum weekly benefit amount from \$523 to \$534.
- ◆ Increased the minimum wage credits required for maximum WBA from \$10,983 to \$11,214 in the high quarter and from \$13,598 to \$13,884 in the base period.

IDAHO

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 523** was signed by Idaho Governor C. L. Butch Otter on March 27, 2012. The bill: (1) provides that certain registrations regarding corporate officer elections to be exempt from UI coverage shall remain in effect for at least two consecutive calendar years; (2) provides an effective date for registrations received within a specified time frame and to provide that such registrations shall remain in effect for at least two consecutive calendar years; (3) provides that with the exception of specified exemptions between December 15, 2011 and July 31, 2012, other exemptions shall not be retroactive to January 1, 2012; and (4) provides for registrations regarding newly formed corporations relating to exemptions from UI coverage. Click [here](#) for a copy of **HB 523**.

Administrative Changes:

- ◆ Increased taxable wage base from \$34,100 to \$34,800.

- ◆ Decreased the minimum tax rate from 0.96% to 0.786%.
- ◆ Increased the maximum weekly benefit amount from \$343 to \$357.
- ◆ Increased the weekly benefit amount maximum as a percent of state average WW from 52 to 53.
- ◆ Decreased the minimum wage credits required for maximum weekly benefit amount from \$11,214 to \$9,282 in the high quarter, and from \$13,884 to \$11,603 in the base period.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$8,918 to \$9,282. Increased the wage credits required from \$8,918 to \$9,282 in the high quarter, and from \$31,749 to \$33,044 in the base period.

ILLINOIS

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 5444** was signed by Illinois Governor Pat Quinn on July 13, 2012. The bill: (1) provides that the Department of Employment Security (DES) shall create a web-based application using data from the Quarterly Census of Employment and Wages (QCEW) program of the Bureau of Labor Statistics and that the Department shall make the application available to the public on its website; (2) provides that the application shall enable a user to enter specified data and shall generate a spreadsheet setting forth, for each North American Industry Classification System (NAICS) business classification codes having the number of digits specified by the user,

specified employee or employer information from the QCEW program; (3) provides that information may not be disclosed if disclosure would violate State or federal privacy or confidentiality laws, regulations, or restrictions and the spreadsheet shall include notations where that information is not disclosed; (4) provides that the application shall make the spreadsheet available for viewing online and downloading by the user and the Department's website shall contain instructions for the use of the application; (5) creates the Economic Data Task Force consisting of one member appointed by each of the four legislative leaders, one member appointed by the Governor, the Director of the Department of Employment Security, and five members appointed by that Director; (6) provides that the DES shall provide staff and administrative support to the Task Force; (7) requires the Task Force to assess the potential uses and users of State data generated by the DES and the application of the data for economic development and other public uses; and (8) provides for the Task Force to report its findings and recommendations to the Governor and General Assembly no later than June 30, 2013. Click [here](#) for a copy of HB 5444.

■ **HB 5632** was signed by Illinois Governor Pat Quinn on July 13, 2012. The bill: (1) sets the statewide average weekly wage for 2012 at \$856.55; (2) sets the determination date on December 1 each year; (3) sets the maximum weekly benefit amount related to provisions as of November 18, 2011; (4) reduces an individual's eligibility for a dependent allowance with respect to a nonworking spouse or one or more dependent children from 17.9% in 2010, 17.4% in 2011 and 17.0% in 2012; (5) amends application of benefit charges if an employer or employer agent is at fault for failing to respond timely or adequately to the DES's request for information relating to the claim and the

employer established a pattern of failing to respond timely or adequately to such request; (6) creates an additional 15 percent penalty for individuals that knowingly make false statements or knowingly fail to disclose material facts to obtain benefits; (7) states benefit payment will be deemed paid once transferred to the individual's debit card or financial institution account; (8) amends how the state experience factor shall be adjusted; and (8) amends how an employer's contribution rate for years prior to 2004 shall be determined. Click [here](#) for a copy of HB 5632.

■ **SB 3507** was signed by Illinois Governor Pat Quinn on June 25, 2012. The bill provides that UI benefits paid by the Illinois Department of Employment Security are allocable to the state and establishes an effective date of July 1, 2012. Click [here](#) for a copy of SB 3507.

Administrative Changes:

- ◆ Decreased the taxable wage base from \$13,560 to \$12,900.
- ◆ Decreased the maximum tax rate from 9.45% to 8.95%.
- ◆ Increased the number of weeks required for minimum benefits from 25 to 26 for claims beginning in calendar year 2013.
- ◆ Adjusted the maximum weekly benefit amount range from \$403-549 to \$413-562.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from \$11,121.50 to \$11,395.50 in the high quarter, and from \$22,243 to \$22,791 in the base period.
- ◆ **Dependents' Allowances:** Increased the maximum weekly allowance per dependent from \$146 to \$149; increased the limitation on weekly allowances



from \$25 to \$26; increased the maximum minimum weekly benefit allowance from \$25 to \$26; increased the maximum weekly basic benefit from \$403 to \$413; and increased the maximum potential benefit amounts from \$10,075 to \$10,738 without dependents, and from \$13,725 to \$14,612 with dependents.

- ◆ **Duration of Benefits:** Increased the minimum and maximum weeks from 26 to 25; adjusted the maximum potential benefit range from \$10,075-13,725 to \$10,738-14,612; increased the wage credits required for maximum potential benefits from \$11,121.50 to \$11,395.50 in the high quarter, and from \$22,243 to \$22,791 in the base period.
- ◆ Added an administrative penalty of 15% of the total amount of benefits fraudulently obtained to the current penalty for offending individuals.

INDIANA

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HR 41** was enacted on February 27, 2012. The resolution urges the legislative council to assign a study committee to discuss the benefits of establishing a work sharing unemployment insurance program. Click [here](#) for a copy of **HR 41**.

Administrative Changes:

- ◆ Decreased the minimum current tax rate from 0.54% to 0.50%.
- ◆ Decreased the maximum current tax rate

from 7.99% to 7.40%.

- ◆ Decreased the UI surcharge from 13% to 8% of the employers' contribution for the calendar year.
- ◆ Adjusted the method of computing weekly benefit amounts to the following formula: With respect to initial claims filed for any week beginning on and after July 1, 2012, each eligible individual who is totally unemployed (as defined in IC 22-4-3-1) in any week in the individual's benefit period shall be paid for the week, if properly claimed, an amount equal to forty-seven percent (47%) of the individual's prior average weekly wage, rounded (if not already a multiple of one dollar (\$1)) to the next lower dollar. However the maximum weekly benefit amount may not exceed three hundred ninety dollars (\$390).
- ◆ Decreased the minimum weekly benefit amount from \$50 to \$37.
- ◆ **Duration of Benefits:** removed the minimum number of weeks requirement; increased the base period wage credits required for maximum potential benefits from \$37,000 to \$43,100.
- ◆ Changed the duration of disqualification for fraud from 'none' to 'during week(s) in which fraud was committed.'

IOWA

– Made
Administrative
Changes



Legislation: None.

Administrative Changes:

- ◆ Increased the taxable wage base from \$25,300 to \$26,000.



- ◆ Decreased the maximum current tax rate from 9.00% to 8.50%.
- ◆ Increased the wages required for minimum benefits from \$1,990 to \$2,040 in the base period, and from \$1,330 to \$1,360.
- ◆ Decreased the weeks of minimum benefits from 8 to 7.
- ◆ Adjusted the minimum weekly benefit amount range from \$57-70 to \$59-71.
- ◆ Adjusted the maximum weekly benefit amount range from \$385-473 to \$396-486.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from \$8,715 to \$9,234 in the high quarter, and from \$10,984 to \$11,543 in the base period.
- ◆ **Dependents' Allowances:** Decreased the maximum weekly allowance per dependent from \$44 to \$37; Increased the minimum weekly basic benefit amount from \$57 to \$61; Increased the maximum weekly basic benefit amount from \$400 to \$411; Decreased the maximum weekly benefit maximum allowance from \$87 to \$75; Increased the maximum potential benefits from \$10,010 to \$10,296 without dependents, and from \$12,298 to \$12,636 with dependents.
- ◆ **Duration of Benefits:** Adjusted the maximum potential benefit range from \$9,724-11,934 to \$10,296-12,636; Increased the wage credits required for maximum potential benefits from \$8,721 to \$9,234 in the high quarter, and from \$35,802 to \$37,908 in the base period.

KANSAS

– Made
Administrative
Changes



Legislation: None.

Administrative Changes:

- ◆ Changed new employer rate to 4.0%.
- ◆ Increased the maximum weekly benefit amount from \$444 to \$456.

KENTUCKY

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 495** was signed by Kentucky Governor Steven Beshear on April 11, 2012. The bill: (1) authorizes the secretary to obtain funding through commercially reasonable means to pay interest on federal unemployment loans and to pledge proceeds from a surcharge on contributing employers as security; (2) requires the Governor to make application, if eligible, for a cap on federal unemployment tax credit reductions; (3) requires that interest on federal unemployment loans be paid from the UC administration fund and to assess a surcharge on contributing employers if there are insufficient funds to pay interest; (4) establishes an annual surcharge, beginning on January 1, 2014, on contributing employers if there are insufficient funds to pay interest and costs relating to federal unemployment loans; (5) requires that surcharge proceeds be deposited in the interest payment fund; (6) requires annual adjustment of surcharge, beginning in January 2015, based on increase in the taxable wage base; (7) permits the

secretary to reduce or suspend the annual surcharge; (8) imposes penalties, including liens, on delinquent surcharge payments; and (9) provides that balance remaining in interest payment fund be credited to employers' reserve accounts or to unemployment administration fund. Click [here](#) for a copy of HB 495.

Administrative Changes:

- ◆ Increased the taxable wage base from \$9,000 to \$9,300.

LOUISIANA

– Amended Statute



Legislation:

■ **HB 188** was signed by Louisiana Governor Bobby Jindal on May 31, 2012. The bill: (1) states that an employee will be deemed to have voluntarily left his employment and will be disqualified for unemployment compensation benefits if, upon conclusion of his latest assignment, he fails to contact the staffing firm for reassignment without good cause; and (2) states that a temporary employee shall not be deemed to have resigned his position if he is not advised at the time of hire that he must report for reassignment upon conclusion of each assignment and that unemployment compensation benefits may be denied for failure to do so. Click [here](#) for a copy of HB 188.

■ **HB 481** was signed by Louisiana Governor Bobby Jindal on May 11, 2012. The bill Clarifies state law regarding unemployment insurance collections relative to child support

overpayments to align with federal law. Click [here](#) for a copy of HB 481.

■ **HB 534** was signed by Louisiana Governor Bobby Jindal on May 25, 2012. The bill: (1) provides for the suspension of recreational hunting and fishing licenses for persons with overdue unemployment compensation benefit overpayment obligations; (2) provides that the commission may notify an obligor by certified mail of an overpayment delinquency and the intention of the commission to submit the obligor's name to the licensing agency for a suspension of license; (3) states the commission shall also notify the obligor where he can file an objection of the suspension of his license, the amount the obligor owes, and what the obligor must do to bring himself into compliance; (4) provides the procedure to the license suspension, which includes a written objection if the obligor wishes to object, an administrative hearing, a certification of noncompliance, and the suspension of the license; (5) provides the time periods for the suspension and reinstatement of a license; (6) states that the certification of noncompliance and the compliance release certificate may be issued electronically; and (7) provides that upon payment of any delinquencies, the commission shall issue a compliance release certificate which shall indicate that the obligor is eligible to have his license reissued. Click [here](#) for a copy of HB 534.

■ **SB 604** was signed by Louisiana Governor Bobby Jindal on June 7, 2012. The bill: (1) retains present law regarding the administrator's power to prescribe what constitutes proof of unemployment; (2) further provides that the administrator shall not demand proof of dissolution of an entire enterprise in order to be deemed unemployed; (3) states that if a person, who fits the familial criteria in present law excluding the individual from collecting UI benefits, has been

employed for the first four of the last five quarters, and for whom, for that same period of time, UI premiums have been paid, shall be considered to have met the requirements for being unemployed; and (4) makes the act effective August 1, 2012. Click [here](#) for a copy of SB 604.

■ **SB 676** was signed by Louisiana Governor Bobby Jindal on May 25, 2012. The bill: (1) provides for the penalties and interest account regarding overpayments; (2) requires for filing certain documents; (3) provides for separation notices; (4) amends the method of calculation regarding the experience-rating account of an employer; (5) establishes the disqualification of employee benefits subsequent to commission of a fraudulent act; and (6) provides for the recovery of overpayment of benefits. Click [here](#) for a copy of SB 676.

Administrative Changes: None.

MAINE

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **LD 1314** was signed by Maine Governor Paul LePage on April 18, 2012. The bill: (1) provides a definition of independent contractor and services performed by an individual for remuneration not subject to UI law; and (2) establishes a civil penalty for misclassification of not less than \$2,000 and not more than \$10,000 per violation. Click [here](#) for a copy of LD 1314.

■ **LD 1725** was signed by Maine Governor Paul LePage on April 18, 2012. The bill: (1)

changes the penalty for unemployment fraud for making a false statement or representation from a Class D crime to theft by deception; (2) requires the individual to actively seek work each week in which a claim for benefits is filed unless the individual is participating in approved training or work search has been waived by the commission and provide evidence of work search efforts in a manner and form as prescribed by the commission; (3) states that failure to provide required work search documentation results in a denial of benefits for the week or weeks for which no documentation was provided unless the commission determines there is good cause for the individual's failure to comply with this requirement; (4) states that failure to participate in reemployment eligibility assessment services without good cause results in a denial of benefits until the individual participates; (5) defines what constitutes good cause and what does not; (6) increases the time for disqualification of benefits for discharge for misconduct until the claimant has earned 8 times the claimant's weekly benefit amount in employment by another employer from 4 times; (7) increases the disqualification from benefits for refusal to accept work until the claimant has earned 10 times the claimant's weekly benefit amount in employment by an employer from 8 times; (8) includes any vacation pay in an amount exceeding the equivalent of 4 weeks' wages for that individual in reducing benefits. Click [here](#) for a copy of LD 1725.

■ **LD 1777** was signed by Maine Governor Paul LePage on March 16, 2012. The bill states that if a UI claimant did not contribute to the plan, the claimant receives a UI benefit reduced by the full prorated weekly amount of the pension received. In such circumstance under current law, the claimant would be completely denied UI benefits. The Senate amendment simply adds the title, "An Act to Correct an Inconsistency in the Employment

Security Law.” Click [here](#) for a copy of LD 1777.

■ **LD 1832** was signed by Maine Governor Paul LePage on March 14, 2012. The bill: (1) increases the amount of time an employer may employ an employee without being charged for UI benefits from 5 to 6 weeks until the provision is repealed on March 14, 2014; (2) reenacts the existing statute returning non-chargeable weeks to 5 or less on March 14, 2014; and (3) requires the Commissioner to submit a report by December 15, 2013 to the Legislature on the effect of increasing the number of weeks to 6 for which an individual can work for an employer before the employer becomes potentially chargeable for UI benefits paid upon separation from work. Click [here](#) for a copy of LD 1832.

Administrative Changes:

- ◆ Increased the new employer rate from 3.02% to 3.12%.
- ◆ Increased the minimum rate in the lowest schedule from 0.45% to 0.46%.
- ◆ Adjusted the range of rates in the highest schedule from 1.11%-9.65 to 1.13%-9.78.
- ◆ Increased the current minimum tax from 0.88% to 0.89%.
- ◆ Increased the current maximum tax from 8.10% to 8.21%.
- ◆ Increased wages required for minimum benefits in the base period from \$4,227.54 to \$4,302.54.
- ◆ Increased wages required for minimum benefits in the high quarter from \$1,409.18 to \$1,434.18.
- ◆ Increased the minimum weekly benefit amount range from \$64-\$74 to \$65-\$75.
- ◆ Increased the minimum weekly benefit amount from \$64 to \$65.
- ◆ Changed the maximum weekly benefit amount from \$266-\$549 to \$372-\$558.
- ◆ Increased the minimum wage credits required for maximum weekly benefits from \$8,052 to \$8,184 in the high quarter, and from \$28,548 to \$29,016 in the base period.
- ◆ **Dependents' Allowances:** Increased the minimum weekly basic benefit from \$64 to \$65; Increased the maximum weekly dependence benefit from \$366 to \$372; Increased the maximum dependence allowance from \$185 to \$186; Increased the maximum potential benefits without dependents from \$9,514 to \$9,672; Increased the maximum potential benefits with dependents from \$14,274 to \$14,508.
- ◆ **Duration of Benefits:** Adjusted the maximum potential benefit amount range from \$9,516-\$14,274 to \$9,672-\$14,508; Increased the wage credits required for maximum potential benefits from \$8,052 to \$8,184 in the high quarter, and from \$28,548 to \$29,016 in the base period.
- ◆ Beginning August 1, 2012, a reduction for benefits is made for any vacation pay in an amount exceeding the equivalent of 4 weeks of wages.
- ◆ Adjusted the duration of disqualification for misconduct from 4 x WBA to 8 x WBA.
- ◆ Adjusted the duration of unemployment for refusal of suitable work without good cause from 8 x WBA to 10 x WBA.

MARYLAND

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 1364** was signed by Maryland Governor Martin O'Malley on May 2, 2012. The bill: (1) establishes an exception for an employer that produces specified documents for inspection to the presumption that an employer-employee relationship exists for purposes of the Workplace Fraud Act and UI law; (2) presumes that an employer-employee relationship does not apply if an employer produces for inspection: (a) a written contract between the employer and a business entity that describes the nature of the work and the remuneration to be paid and includes an acknowledgment by the business entity of its responsibilities under the act; (b) a signed affidavit indicating that the business entity is an independent contractor who performs work for other employers; (c) a certificate of status of the business entity that is issued by the State Department of Assessments and Taxation and indicates the entity is in good standing; and (d) proof that the business entity holds all required occupational licenses for the work to be performed; (3) authorizes an employer to comply with a specified requirement to provide records by producing copies of the records; (4) alters the number of days within which an employer is required to produce certain records altering the number of days within which an employer is required to produce certain records; (5) requires the Commissioner to take certain action regarding an alleged violation of the Workplace Fraud Act within a certain time after the Commissioner receives certain records from an employer;

and (6) provides that an employer is entitled to a certain hearing within a certain number of days after the hearing is requested unless the right is waived. Click [here](#) for a copy of **HB 1364**.

Administrative Changes:

- ◆ Lowered the new employer rate for foreign contractors from 13.3% to 10.5%.
- ◆ Decreased the minimum current tax rate from 2.20% to 1.00%.
- ◆ Decreased the maximum current tax rate from 13.50% to 10.50%.

MASSACHUSETTS

– Amended Statute



Legislation:

In 2012, the General Assembly of the Commonwealth of Massachusetts enacted the following three laws amending or otherwise affecting provisions of the General Laws, Chapter 151A, entitled “Unemployment Compensation:

■ **HB4200** was signed (in part) by Massachusetts Governor Deval L. Patrick on July 8, 2012 and enacted on August 1, 2012. The bill directs the Department of Unemployment Assistance to “promulgate regulations providing that any employee discharged for deliberate misconduct consisting of (i) stealing from such employee’s place of employment; (ii) illegal drug use while at work; or (iii) drunkenness while at work shall be determined to be ineligible for benefits without regard to whether or not the employer had a written policy against such conduct.” Click [here](#) for a copy of **HB 4200**.

■ **SB2112** was signed (in part) by Massachusetts Governor Deval L. Patrick on February 21, 2012 and was enacted on March 7, 2012. The bill amends the experience rate of an employer for calendar year 2012 by designating column “E” rates. Click [here](#) for a copy of **SB 2112**.

■ **SB2400** was signed by Massachusetts Governor Deval L. Patrick on August 6, 2012. The bill provides that UI information may be disclosed, depending on the interagency agreement in question, to the Commonwealth Health Insurance Connector or the Executive Office of Human Services. Click [here](#) for a copy of **SB 2400**.

Administrative Changes: None.

MICHIGAN

– Amended Statute



Legislation:

■ **HB 5055** was signed by Michigan Governor Rick Snyder on December 20, 2012. The bill states that an individual who testifies voluntarily before another body concerning representations the individual made to the unemployment agency waives any privilege applying to such representations. Click [here](#) for a copy of **HB 5055**.

■ **HB 5437** was signed by Michigan Governor Rick Snyder on December 20, 2012. The bill requires the Bureau of State Lottery to determine whether UI agency records show that the lottery winner has any current liability for restitution of UI benefits, penalty or interest before disbursing winnings of \$1,000

or more. Click [here](#) for a copy of **HB 5437**.

■ **SB 1094** was signed by Michigan Governor Rick Snyder on June 27, 2012. The bill: (1) allows employers to apply to the UI Agency (UIA) for the approval of a shared-work plan under certain circumstances; (2) permits employers to apply for more than one shared-work plan; (3) sets forth requirements that, if met, the UIA would have to approve applications for a shared-work plan; (4) requires the UIA to approve or disapprove a shared-work plan within 15 days after receiving the application; (5) establishes other criteria for shared-work programs; and (6) makes the bill effective January 1, 2013. Click [here](#) for a copy of **SB 1094**.

■ **SB 1106** was signed by Michigan Governor Rick Snyder on June 27, 2012. The bill deletes certain provisions that limit the unemployment insurance (UI) benefits payable to claimants who worked for family-owned businesses. Click [here](#) for a copy of **SB 1106**.

■ **SB 1107** was signed by Michigan Governor Rick Snyder on June 25, 2012. The bill: (1) revises the look-back period in the UI tax rate calculation for a client employer of a professional employer organization (PEO) by changing the period from 12 calendar quarters to eight quarters until January 1, 2014; and (2) requires a business entity to retain its existing rate or establish a new rate if it becomes a client employer on or after January 1, 2014, rather than January 1, 2011. Click [here](#) for a copy of **SB 1107**.

■ **SB 1267** was signed by Michigan Governor Rick Snyder on January 2, 2013. The bill: (1) removes the sunset for approval of shared-work plans; and (2) permits applications for a shared-work program that contain a certification from the employer that the plan would be implemented in lieu of any

type of layoffs, instead of limited to temporary layoffs, affecting at least 15% of the employees in the affected unit. Click [here](#) for a copy of SB 1267.

■ **SB 1272** was signed by Michigan Governor Rick Snyder on December 27, 2012. The bill requires employers' contribution payments and obligation assessment payments to be credited first to interest on the obligation assessment and then to the assessment, with the remainder credited as currently required to penalties and interest on contributions and contribution principal. Click [here](#) for a copy of SB 1272.

Administrative Changes: None.

MINNESOTA

– *Amended Statute
and Made
Administrative
Changes*



Legislation:

■ **SB 1130** was signed by Minnesota Governor Tim Pawlenty on May 23, 2011. The bill: (1) expands the “immediate family member” definition to include grandparents; (2) clarifies the weekly benefit amounts and wage credits necessary to establish a benefit account; (3) modifies the suitable employment wage credits provision; (4) modifies the special assessment for interest on federal loans for taxpaying employers; (5) changes the unemployment benefit account requirements for establishment and eligibility determinations; (6) amends payments delaying unemployment benefits, including sick time and personal time off pay (PTO); (7) modifies ineligibility duration and the authorization for dislocated workers entrepreneurship; (8) amends the definitions of base period, non-covered employment, and wages; (9) amends the

state dislocated worker program definitions by adding a definition for an individual determined by the federal government to be covered by trade adjustment assistance; and (10) changes a contractor department of employment and economic development (DEED) reporting requirement. Click [here](#) for a copy of SB 1130.

Administrative Changes:

- ◆ Changed qualifying requirements to straight 53% of state’s average annual wage (i.e. \$2,500 for 2013) in wages paid during base period.
- ◆ Changed qualifying for second account (claim) to same as qualifying for first account (i.e. \$2,500).
- ◆ Changed satisfying of disqualification (after quit or discharge for misconduct) to half qualifying requirement (i.e. \$1,250) in 2013.
- ◆ Modified deductible part-time earnings to 50% of earnings (so long as less than WBA – if equal to WBA applicant (claimant) entitled to zero).
- ◆ Increased taxable wage base from \$28,000 to \$29,000.
- ◆ Decreased the minimum weekly benefit amount from \$38 to \$24.
- ◆ Increased the maximum weekly benefit amount from \$597 to \$610.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from \$62,088 to \$63,540 in the base period.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$15,522 to \$15,860; increased the base period wage credits required from \$62,088 to \$63,540.

MISSISSIPPI

– Amended Statute
and Made
Administrative
Changes

**Legislation:**

■ **HB 451** was signed by Mississippi Governor Phil Bryant on April 18, 2012. The bill provides a direct seller exemption from the applicability of the unemployment compensation law. Click [here](#) for a copy of HB 451.

■ **SB 2604** was signed by Mississippi Governor Phil Bryant on May 1, 2012. The bill removes the date of repealing sections related to the Mississippi Department of Employment Security effective July 1, 2012. Click [here](#) for a copy of SB 2604.

Administrative Changes:

- ◆ Increased the minimum tax rate for both the lowest and highest schedule from 0.10% to 0.20%.
- ◆ Adjusted the required fund balance for both the lowest and highest schedule from 4% of taxable wages to 3% of taxable wages.

MISSOURI

– Amended Statute

**Legislation:**

■ **HB 1131** was signed by Missouri Governor Jay Nixon on July 5, 2012. The bill fulfilled the federal requirement to add the date services for remuneration were first

performed by employees to the information employers are required to report for the National Directory of New Hires. Click [here](#) for a copy of HB 1131.

■ **HB 1318** was signed by Missouri Governor Jay Nixon on July 5, 2012. The bill provided for non-charging when employers are required to discharge an employee because he or she is placed on a disqualification registry maintained by the Department of Mental Health after the date of hire. Click [here](#) for a copy of HB 1318.

Administrative Changes: None.

MONTANA

–Made
Administrative
Changes



Legislation: None.

Administrative Changes:

- ◆ Effective July 13, 2012, the Montana Department of Labor & Industry adopted new Administrative Rules to implement Montana's Stay at Work/Return to Work (SAW/RTW) Assistance Program.
- ◆ Increased the taxable wage base from \$27,000 to \$27,900.
- ◆ Increased the weekly minimum benefit amount from \$123 to \$127.
- ◆ Increased the weekly maximum benefit amount from \$423 to \$446.
- ◆ Adjusted the base period average weekly wage formulas from '\$22,685 for 1.9% option; \$43,100 for 1.0% option' to '\$23,500 for 1.9% option; \$44,600 for 1.0% option'.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from

\$12,068 go \$12,448; Increased the base period wage credits required from '\$22,685 for 1.9% option, \$10,775 for 1.0% option' to '\$23,500 for 1.9% option, \$11,150 for 1.0% option'; Increased the high quarter wage credits required from '\$39,812 for 1.9% option, \$43,100 for 1.0% option' to '\$46,000 for 1.9% option, \$44,600 for 1.0% option'.

NEBRASKA

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **LB 1058** was signed by Nebraska Governor David Heineman on April 10, 2012. The bill: (1) requires employers to provide the Department of Labor with information regarding an employee's eligibility for unemployment benefits within 7 days after the mailing or electronic transmission of the department's request for the information; (2) makes failure to provide the requested information within 7 days will result in forfeiture of appeal rights codifying an existing state regulation; (3) clarifies that an employer's experience account will not be charged if the employer is compliant and it is determined that the individual's separation from employment was voluntary and without good cause; (4) clarifies the Commissioner's ability to recover a benefit overpayment by setoff against a person's federal income tax refund in addition to a setoff in instances of fraud only under current law; (5) provides a 15% penalty, in addition to the repayment of benefits, for individuals who willfully fail to disclose amounts earned or information that would have disqualified the individual from

receiving benefits in conformity with federal requirements; (6) amends the New Hire Reporting Act's definition of rehire by clarifying that a temporary layoff is less than 60 days to comply with federal regulatory changes; (7) repeals language which provides for appeal tribunals (not used for years) to conform with federal law requiring state employees to conduct unemployment benefit hearings, so the appeal process cannot be contracted out. Click [here](#) for a copy of LB 1058.

Administrative Changes:

- ◆ Updated the new employer rate to the following: 'For non-construction employees, category 12 rate but not less than 1.25% and not greater than 2.50%. In 2013, this will be 1.68%. For construction employers, category 20 rate. For 2013, this will be 5.40%.
- ◆ Decreased the current maximum tax rate from 6.49% to 5.40%.
- ◆ Increased the wages required for minimum benefits from \$3,868 to \$3,962 in the base period, and from \$800 to \$1,850 in the high quarter.
- ◆ Increased the maximum weekly benefit amount from \$354 to \$362.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from \$9,204 to \$9,412 in the high quarter, and from \$10,004 to \$28,236 in the base period.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$9,204 to \$9,412; increased the wage credits required for maximum potential benefits from \$9,204 to \$9,412 in the high quarter and from \$27,612 to \$28,236 in the base period.

NEVADA

- *Made
Administrative
Changes*



Legislation: None.

Administrative Changes:

- ◆ Increased the taxable wage base from \$26,400 to \$26,900.
- ◆ Increased the maximum weekly benefit amount from \$396 to \$402.

NEW HAMPSHIRE

- *Amended Statute
and Made
Administrative
Changes*

**Legislation:**

■ **HB 1366** was signed by New Hampshire Governor John Lynch on June 18, 2012. The bill: (1) increases the number of weeks a non-reimbursing employer must provide employment before its separate account becomes chargeable for unemployment compensation benefits; and (2) amends the criteria for establishing suitable work and the eligibility and disqualification provisions for UC claimants. Click [here](#) for a copy of **HB 1366**.

■ **HB 1579** was signed by New Hampshire Governor John Lynch on June 11, 2012. The bill authorizes the Department of Employment Security to garnish the wages of individuals with delinquent unemployment compensation overpayments. Click [here](#) for a copy of **HB 1579**.

Administrative Changes:

- ◆ Increased the required minimum trust

fund balance on both the lowest and highest schedules from \$225 million to \$250 million.

- ◆ Increased the maximum rate on the highest schedule from 7.0% to 9.5%.
- ◆ Decreased the minimum current tax rate from 1.10% to 0.60%.

NEW JERSEY

- *Amended Statute
and Made
Administrative
Changes*

**Legislation:**

■ **SB 1301** was signed by New Jersey Governor Chris Christie on January 5, 2012. The bill creates a shared work program that: (1) permits an employer of at least 10 full-time non-seasonal employees to provide a shared work program if approved by the Department of Labor and Workforce Development; (2) designates the program be approved for one year with annual renewals upon request; (3) allows the employee to attend an approved training program while receiving benefits; (4) requires the employer to sustain existing fringe benefit levels, not to hire additional part-time or full-time employees, or make unreasonable revisions of workloads; (5) states participating employers provide information needed to monitor compliance and certify that if a labor union represents the employees, it has agreed to the terms of the program. An employee is eligible for "short-time" unemployment benefits if: (a) the employee's weekly work hours are reduced at least 10% from normal full-time hours; (b) the employee would be eligible for regular unemployment benefits during the week if the employee was entirely unemployed; and (c) the employee is available to work normal full-time hours. But, the

benefits are limited to 26 weeks during a benefit year (may be nonconsecutive), no person may receive both short-time benefits and regular unemployment benefits during the same week, and the combined total of regular and short-time unemployment benefits for an employee during a benefit year is limited to the maximum amount of regular unemployment benefits allowed. Click [here](#) for a copy of SB 1301.

■ **SB 3186** was signed by New Jersey Governor Chris Christie on January 17, 2012. The bill amends the trigger provisions for extended benefits to continue until the 4th week before the last week federal sharing is available. Click [here](#) for a copy of SB 3186.

Administrative Changes:

- ◆ Increased the taxable wage base from \$30,300 to \$30,900.
- ◆ Increased the tax rate for new employers from 3.1% (UI portion – 2.98%) to 3.4% (UI portion – 3.2825%).
- ◆ Increased the current minimum tax from 0.60% to 1.20%.
- ◆ Increased the current maximum tax from 6.40% to 7.0%.
- ◆ Increased the maximum weekly benefit amount from \$611 to \$624.
- ◆ Increased the base period minimum wage credits required for maximum weekly benefit amount from \$20,367 to \$20,800.
- ◆ **Dependents' Allowances:** Increased the maximum basic weekly benefit from \$611 to \$624; increased the maximum potential benefits with or without dependents from \$15,886 to \$16,224.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$15,886 to \$16,224; increased the base

period wage credits required from \$26,477 to \$27,040.

NEW MEXICO

– *Amended Statute
and Made
Administrative
Changes*



Legislation:

■ **HM 15** passed the New Mexico House on February 12, 2012. The bill requests the Governor to appoint a UC Taskforce to consider changes to the existing UI Program, including, but not limited to, community service requirements, shared work plans and individual savings accounts. Click [here](#) for a copy of HM 15.

■ **SB 32** was signed by New Mexico Governor Susana Martinez on March 5, 2012. The bill: (1) continues use of Schedule 1 for employer contributions through December 31, 2012; and (2) raises the contribution schedule to Schedule 2 from Schedule 1 from January 1, 2013 to December 31, 2013. Click [here](#) for a copy of SB 32.

Administrative Changes:

- ◆ Increased the taxable wage base from \$22,400 to \$22,900.
- ◆ Decreased the minimum time needed to qualify for rate based on experience from 4 weeks to 3 weeks.
- ◆ Increased the minimum wages required for minimum benefits from \$1,749.54 to \$1,798.14 in both the base period and high quarter.
- ◆ Increased the minimum weekly benefit amount from \$72 to \$74.

- ◆ Changed the method of computing weekly benefit amounts to 53.5% of AWW in HQ.
- ◆ Increased the minimum weekly benefit amount range from \$72-108 to \$74-111.
- ◆ Increased the maximum weekly benefit amount range from \$386-486 to \$397-497.
- ◆ Increased the minimum wage credits required for maximum weekly benefits from \$9,379 to \$9,646 in both the high quarter and the base period.
- ◆ **Dependents' Allowances:** Increased the minimum weekly basic benefit amount from \$71-74; Increased the minimum weekly benefit maximum allowance from \$35.5 to \$37; Decreased the Maximum weekly basic benefit amount from \$426 to \$397; Decreased the maximum weekly benefit allowance from \$100 to \$50; Decreased the maximum potential benefits from \$11,076 to \$10,322 without dependents, and from \$13,676 to \$11,622 with dependents.
- ◆ **Duration of Benefits:** Changed the method of computing to 'lesser of 26 x WBA or 60% of BP'; Decreased the maximum potential benefit amount from \$13,676 to \$11,622; Increased the wage credits required for maximum potential benefits from \$9,230 to \$9,646 in the high quarter, and from \$9,231 to \$9,646 in the base period.
- ◆ Included seasonality provision for ski area operators and employees.
- ◆ Required that all employers with 5 or more employees report wages electronically until January 2013. Beginning January 1, 2013, all employers must submit their information

electronically. Employers failing to submit electronically will be treated as not having submitted wages. As a result, their contribution will be estimated based on the inflated formula set forth in the rules. Additionally, New Mexico allows parties to elect to have all notices delivered electronically.

NEW YORK

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **A10238** (companion bill to **SB 7520**) was signed by New York Governor Andrew Cuomo on August 1, 2012. The bill extends the provisions relating to fees and expenses in unemployment insurance proceedings. Click [here](#) for a copy of **A10238**. Click [here](#) for a copy of the companion bill, **SB 7520**.

Administrative Changes: None.

NORTH CAROLINA

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 1173** was signed by North Carolina Governor Bev Perdue on July 12, 2012. The bill permits a court to order the suspension of any public assistance benefits, including UI benefits, being received by a probationer if the court has issued an order for arrest and he or she is absconding or otherwise willfully avoiding arrest. Click [here](#) for a copy of **HB 1173**.



■ **SB 828** was signed by North Carolina Governor Bev Perdue on June 29, 2012. The bill: (1) continues the “on” trigger for extended benefits through December 31, 2012; (2) states that any Executive Order that attempts to extend UI benefits is void ab initio unless it is issued upon authority expressly enacted by the General Assembly or by the U.S. Congress; (3) defines misconduct connected with work regarding disqualification of UI benefits; (4) provides examples of prima facie evidence of misconduct, such as violating an employer’s written alcohol or illegal drug policy, theft, and refusing to perform reasonably assigned work tasks; (5) reduces from 30 to 10 days the time an interested employer may protest a UI claim; (6) requires all testimony before a UI appeals referee to be recorded unless waived by all parties; (7) defines “newly hired employee” and requires reporting of newly hired employees and the date services for remuneration were first performed by the new employee; (8) requires an employer’s account to be charged if an overpayment occurred because the employer fails to respond timely or adequately to a written request of the Division for information relating to the UI claim or the employer exhibits a pattern of failure to respond on two or more occasions whether from the employer to a third-party agent; (9) permits written notification to include requests sent electronically; (10) sets a mandatory penalty of 15 percent on erroneous payments made to a person not entitled to receive UI benefits and states the penalty amount may be collected in any manner allowed, but may not be recovered through offsets of future benefits; (11) increases the financial and criminal penalties for making a false statement or failing to disclose a material fact to obtain or increase UI benefits; (12) requires implementation and reporting of the Treasury Offset Program (TOP) to collect overpayments; (13) transfers the Common follow-up information management system

from the Department of Employment Security (DES) to the Labor and Economic Analysis Division and requires DES to provide all relevant data to the Division to perform its duties. Click [here](#) for a copy of **SB 828**.

■ **SR 957** was adopted by the North Carolina Senate on July 2, 2012. The resolution disapproves of Governor Bev Perdue’s Executive Order No. 85 adopted March 25, 2011 which administratively transferred the functions of the Employment Security Commission (ESC) to the newly created Division of Employment Security (DES) under the Department of Commerce. Click [here](#) for a copy of **SR 957**.

Administrative Changes:

- ◆ Increased the taxable wage base from \$20,400 to \$20,900.
- ◆ Increased the base period wages required to qualify for minimum benefits from \$4,706.22 to \$4,816.85.

NORTH DAKOTA

–Made
Administrative
Changes



Legislation: None.

Administrative Changes:

- ◆ Increased the taxable wage base from \$27,900 to \$31,800.
- ◆ Adjusted the rate for new employers from '90% of the maximum positive balance schedule rate (1.36%)' to 1.25%.
- ◆ Decreased the minimum current tax rate from 0.20% to 0.17%.
- ◆ Decreased the maximum current tax rate from 9.91% to 9.78%.

- ◆ Increased the maximum weekly benefit amount from \$470 to \$516.
- ◆ Increased the minimum wage credits required for maximum weekly potential benefit amount from \$12,220 to \$13,416 in the high quarter and from \$30,550 to \$33,540 in the base period.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$11,492 to \$13,416; increased the wage credits required for maximum potential benefits from \$12,220 to \$13,416 in the high quarter and from \$30,550 to \$33,540 in the base period.

OHIO

– Made
Administrative
Changes



Legislation: None.

Administrative Changes:

- ◆ Increased new construction employer rate from 7.0% to 7.7%.
- ◆ Decreased the maximum rate on the highest schedule from 9.00% to 6.70%.
- ◆ Decreased the current minimum tax from 0.70% to 0.30%.
- ◆ Decreased the current maximum tax from 9.1% to 8.40%.
- ◆ Reduced the penalty rate for new employers from 11.4% to 10.5%.
- ◆ Increased the base period wages required for minimum benefits from \$4,400 to \$4,600.
- ◆ Increased the minimum weekly benefit amount from \$111 to \$115.
- ◆ Adjusted the maximum weekly benefit amount range from \$400-539 to \$413-557.
- ◆ Adjusted the range of base period minimum wage credits required for maximum weekly benefit amount from \$16,000-21,560 to \$16,520-22,280.
- ◆ **Dependents' Allowances:** Increased the range for weekly allowance per dependent from \$1-139 to \$1-144; Increased the limitation on weekly allowance from \$139 to \$144; Increased the basic minimum weekly benefit amount from \$111 to \$115; Increased the minimum weekly benefit maximum allowance from \$139 to \$144; Increased the basic maximum weekly benefit from \$400 to \$413; Increased the maximum weekly benefit maximum allowance from \$139 to \$144; Increased the maximum potential benefits without dependents from \$10,400 to \$10,738; Increased the maximum potential benefits with dependents from \$14,014 to \$14,482.
- ◆ **Duration of Benefits:** Adjusted the range of maximum potential benefit amount from \$10,400-14,014 to \$10,738-14,482; Increased the base period wage credits required from \$20,800 to \$21,476.

OKLAHOMA

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 2204** was signed by Oklahoma Governor Mary Fallin on May 3, 2012. The bill: (1) specifies that an unemployed individual must register for work within seven days of filing the initial claim for unemployment benefits and modifies the Oklahoma Employment Security

Commission's authority to waive the requirement; (2) modifies wage requirements during a base period to include taxable wages of any amount and total wages equal to or more than taxable wages in a year when determining eligibility for benefits; (3) allows for electronic notification to the employer and claimant in several actions; (4) places the burden of proof on the claimant regarding a breach in the chain of custody and the employer must provide such documentation in any challenge to an employee positive drug or alcohol test; (5) makes the claimant ineligible for benefits if the claimant fails to request a confirmation test; (6) modifies the definitions of confirmation test and job applicant; (7) amends and expands circumstances where the employer is authorized to conduct drug and alcohol testing; (8) creates a penalty of 25% of the amount of the original overpayment in cases of overpayment of benefits due to fraud; (9) modifies notice requirements for an employer's contribution rate and allows the employer to file an appeal to the rate notice otherwise the rate will become conclusive and binding; (10) requires a final determination that an employer owes delinquent contributions, penalties, interest or fees where the Commission is authorized to levy to collect such delinquencies; (11) permits the Assessment Board of the Oklahoma Employment Security Commission, instead of the court, to issue or modify an order to levy; (12) adds new language that authorizes the Commission to collect by levy upon any earnings or contract proceeds of tax debtor and provides a process for proper notice and collection; (13) authorizes the Commission to award funds to local offices, divisions, or units in order to encourage the improvement and modernization of employment, training and placement services for veterans; (14) allows the Office of Juvenile Affairs to obtain

employment information for use in assessing results and outcomes of clients and effectiveness of juvenile and justice programs; and (15) authorizes employers to release records of the tests as admissible evidence, to comply with a judicial or administrative order, or to other specified persons. Click [here](#) for a copy of HB 2204.

Administrative Changes:

- ◆ The taxable wage base increased from \$19,100 to \$20,100.
- ◆ Increased the taxable rate for new employers from 1.0% to 2.0%.
- ◆ Increased the maximum weekly benefit amount from \$358 to \$386.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from \$8,234 to \$8,878 in the high quarter, and from \$18,600 to \$20,100 in the base period.
- ◆ **Duration of Benefits:** Changed the formula for computing WBA to '26 x WBA or 20%-25% of SAWW or 40%-50% of individual's BP wage earned in insured work; Increased the maximum potential benefit amount from \$7,400 to \$8,000; Increased the wage credits required for maximum potential benefits from \$8,234 to \$8,878 in the high quarter, and from \$18,600 to \$20,100 in the base period.
- ◆ Added a penalty of 25% of benefit overpayment for the duration of disqualification.
- ◆ Increased the time limit for filing Second Stage Appeals from 10 to 30 days after mailing of initial decision.



OREGON

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **SB 1588** was signed by Oregon Governor John Kitzhaber on April 12, 2012. The bill excludes from definition of 'Employment' service performed in operation of passenger motor vehicle operated as taxicab or for nonemergency medical transportation by person with ownership or leasehold interest in the vehicle for certain entities operated by board of owner-Operators elected by members of entity. Click [here](#) for a copy of **SB 1588**.

Administrative Changes:

- ◆ Increased the taxable wage base from \$33,000 to \$34,100.
- ◆ Increased the minimum weekly benefit amount from \$118 to \$122.
- ◆ Increased the maximum weekly benefit amount from \$507 to \$524.
- ◆ Increased the base period minimum wage credits required for maximum weekly benefit amount from \$40,560 to \$41,920.
- ◆ Increased the maximum potential benefit amount from \$13,182 to \$13,624.

PENNSYLVANIA

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **SB 1310** was signed by Pennsylvania Governor Tom Corbett on June 12, 2012. The bill: (1) increases the taxable wage base from \$8,000 to \$8,250 in 2012, \$8,500 in 2013, \$8,750 in 2014, \$9,000 in 2015, \$9,250 in 2016, \$9,500 in 2017 and \$10,000 in 2018 and after; (2) reduces the state adjustment factor (SAF) from the current maximum of 1.5% to provide the maximum the Department of Labor and Industry (L&I) shall assess to employers for 2012 through 2016 at 1.1%, down to 0.9% in 2017, and 0.75% in 2018 and after (An employer's current UC assessment is determined by a percentage, applied to the wage base, which is comprised of three factors: the reserve ratio factor, the benefit ratio factor, and the SAF resulting in a tax range of 1.5%-9.2%); (3) reduces the partial benefit credit from 40% to 30% of weekly benefit rate; (4) provides that the additional contribution paid by employers when the state has outstanding federal advances can also be utilized and applied to bond obligations and bond administration expenses and be deposited in the Interest Fund; (5) permits L&I to utilize the federal Treasury Offset Program (TOP) allowing an offset of federal tax refund payments to collect unemployment compensation debts due to failure to report earnings or delinquent contributions regardless of where the debtor currently resides or how long the debt has been outstanding; (6) increases minimum penalty for dishonored payments from \$10 to \$25 and the maximum penalty from \$100 to \$1000 for single check or payment; (7) increases the statute of limitations from 6 years to 10 years for the collection of fault overpayments and from 3 years to 6 years for the collection of non-fault overpayments; (8) creates Article XIV to allow for the issuance of limited obligation revenue bonds if L&I determines that the issuance of bonds to repay federal UC advances will result in a savings to the employers and sunsets the authority to issue bonds on December 31, 2016; (9) establishes

the UC Amnesty Program for collection of unpaid contributions or compensation overpayment; (10) increase trigger solvency percentage to 250% from 125%; (11) increase amount of base year wages that must be earned outside of highest quarter from 20% to 49.5%; (12) states that the total amount of benefits claimants can receive is their weekly benefit rate multiplied by the number of qualifying credit weeks that they had (must be a minimum of 18), up to a maximum of 26 weeks effective January 1, 2013; (13) extends the freeze on the maximum weekly benefit rate (frozen at \$573) through 2019, then caps the annual growth at 8% in 2020 through 2023 and resumes the normal growth rate in 2023; (14) establishes the "Reemployment Fund" to promote programs and services to assist individuals to become employed, and fund research/studies/technology upgrades to improve the department's ability to provide employment services and requires the department to issue a report to the Governor/General Assembly by June 30th describing the activities provided by the fund during previous calendar year; and (15) requires 5% of employee contributions to be allocated to the Reemployment Fund for years 2013 through 2017. Click [here](#) for a copy of SB 1310.

■ **SB 1375** was signed by Pennsylvania Governor Tom Corbett on February 9, 2012. The bill amends the state "on" indicator for extended benefits to apply to weeks ending not later than April 30, 2012 and not less than 28 days before the last week for which 100% Federal sharing of extended benefits is available. Click [here](#) for a copy of SB 1375.

Administrative Changes:

- ◆ Increased the taxable wage base from \$8,000 to \$8,500.
- ◆ Reduced the new employer rate from 10.2626% to 10.1947% for construction

employers, and from 3.7030% to 3.6785% for all other new employers.

- ◆ Increased the minimum rate from 0.7367% to 2.801% and the maximum rate from 9.5388% to 10.8937% on the lowest schedule.
- ◆ Increased the maximum rate on the highest schedule from 10.8236% to 15.0977% on the highest schedule.
- ◆ Raised the minimum current tax rate from 2.6770% to 2.801%.
- ◆ Raised the maximum current tax rate from 10.8236% to 10.8937%.
- ◆ Increased the surcharge amount from 1.10% to 5.80%, effective when the fund balance ratio falls below 250%.
- ◆ Increased the solvency surtax from 0.25% to 0.65%, effective when the fund balance ratio falls below 250%.
- ◆ Set the employee surtax rate at 0.07%, effective when the fund balance ratio falls below 250%.
- ◆ Decreased the interest tax from 0.44% to 0.11%, effective when the fund has UC bond debt or federal loan interest liability. The tax does not apply to newly liable employers or reimbursable employers.
- ◆ **Qualifying Requirements for Minimum Benefits and Minimum Duration:** Changed the qualifying formula to '18 credit weeks with 49.5% of wages earned in other than higher quarter; Increased the wages required for minimum benefits from \$1,320 to \$3,391 in the base period and from \$800 to \$1,688 in the high quarter; Adjusted



the minimum weekly benefit amount range from \$35-43 to \$70-78; Increased the duration of minimum benefits from 16 weeks to 18 weeks.

- ◆ Increased the base period minimum wage credits required for maximum weekly benefits from \$22,840 to \$28,243.
- ◆ Increased the minimum weekly dependent basic benefit from \$35 to \$70.
- ◆ Changed the formula for determining partial unemployment to 'WBA + 30% WBA'.
- ◆ Changed the formula for earnings disregard to 30% WBA.
- ◆ **Penalties for Fraud:** the penalties for committing fraud to obtain or increase benefits apply to claimants, while the penalties to prevent or reduce benefits apply to employers. Claimants who plead guilty to or are convicted of UC fraud must repay the outstanding principal, interest, court costs, and lien filing fees, if applicable. Employers face fines of up to \$1,500.00 per day or 10,000.00 per offense.

PUERTO RICO

– *Made
Administrative
Changes*



Legislation: None

Administrative Changes:

- ◆ The rate schedule decreased from last year.

RHODE ISLAND

– *Amended Statute
and Made
Administrative
Changes*



Legislation:

■ **HB 7563** was signed by Rhode Island Governor Lincoln Chafee on April 13, 2012. The bill would allow individuals to participate in the entrepreneurial training assistance program while receiving federal emergency unemployment compensation benefits. Currently, individuals can only receive regular benefits while participating in the program. Click [here](#) for a copy of **HB 7563**.

■ **HB 7759** was signed by Rhode Island Governor Lincoln Chafee on April 13, 2012. The bill would allow the department of labor and training to verify employee quarterly wage report information for the workforce investment board. Click [here](#) for a copy of **HB 7759**.

■ **SB 2228** was signed by Rhode Island Governor Lincoln Chafee on April 9, 2012. The bill would allow the department of labor and training to verify employee quarterly wage report information for the workforce investment board. Click [here](#) for a copy of **SB 2228**.

■ **SB 2688** was signed by Rhode Island Governor Lincoln Chafee on April 27, 2012. The bill would allow individuals to participate in the Entrepreneurial Training Assistance Program while receiving federal emergency unemployment compensation benefits. Currently, individuals can only receive regular benefits while participating in the program. Click [here](#) for a copy of **SB 2688**.

Administrative Changes:

- ◆ Increased the taxable wage base from \$19,600 to \$20,200 for all employers except maximum rated employers. Maximum rated employers will pay a wage base of \$21,700 for 2013.
- ◆ Increased the new employer rate from 2.46% to 2.83%.
- ◆ Increased the successive benefit year requirement from \$592 to \$620.
- ◆ **Qualifying Requirements for Minimum Benefits and Minimum Duration:** Adjusted the minimum benefits and duration qualifying formula to ‘\$9,300 in BP or; \$6,550 in one BP quarter and, 1/2 x HQ earnings and, total BP wages of at least \$3,100’.
- ◆ Changed the minimum weekly benefit amount range from \$68-83 to \$45-60.
- ◆ Increased the wages required for minimum benefits from \$2,960 to \$3,100 in the base period, and from \$1,480 to \$1,550 in the high quarter.
- ◆ **Dependents’ Allowances:** Reduced the minimum weekly basic benefit from \$68 to \$45; Increased the maximum weekly basic benefit from \$551 to \$566, and the maximum weekly benefit allowance from \$137 to \$141; increased the maximum potential benefits from \$14,326 to \$14,716 without dependents, and from \$17,888 to \$18,382 with dependents.

SOUTH CAROLINA

– Amended Statute
and Made
Administrative
Changes



■ **HB 4786** was signed by South Carolina Governor Nikki Haley on June 18, 2012. The bill amends UI eligibility for certain services provide by substitute teachers in schools or higher education institutions. Click [here](#) for a copy of **HB 4786**.

■ **SB 1125** was signed by South Carolina Governor Nikki Haley on June 18, 2012. The bill provides that a person discharged from employment for cause is ineligible for benefits for twenty weeks beginning with the date the person filed a benefits request. Click [here](#) for a copy of **SB 1125**.

Administrative Changes:

- ◆ Increased the taxable wage base from \$10,000 to \$12,000. The taxable wage base increases to \$14,000 in 2015.
- ◆ Decreased the new employer tax rate from 2.83% to 2.011% (Base rate 1.84% + administrative contingency assessment 0.06% + interest surcharge 0.111%).
- ◆ Decreased the current minimum tax rate from 0.098% to 0.095% on both the lowest and highest schedules.
- ◆ Decreased the current maximum tax rate from 8.686% to 7.855% on both the lowest and highest schedules.
- ◆ Decreased the current minimum tax rate from 0.98% to 0.95%.
- ◆ Decreased the current maximum tax rate from 8.686% to 7.855%.
- ◆ Adjusted the interest surcharge range from 0.038%-0.49% to 0.035%-0.455%. The condition is 'FUTA loan interest and FUTA credit reduction avoidance'.

Legislation:

SOUTH DAKOTA

– Amended Statute
and Made
Administrative
Changes

**Legislation:**

■ **SB 87** was signed by South Dakota Governor Dennis Daugaard on March 1, 2012. The bill permits an employee to voluntarily leave employment for good cause and qualify for UI benefits if the employee is relocating to accompany a spouse who has been reassigned from one military assignment to another. Click [here](#) for a copy of **SB 87**.

Administrative Changes:

- ◆ Increased the taxable wage base from \$12,000 to \$13,000.
- ◆ Increased the minimum rate from 0.75% to 1.50%, and the maximum rate from 10.25% to 11.00% on the highest schedule.
- ◆ Decreased the current maximum tax rate from 10.05% to 10.03%.
- ◆ Increased the maximum weekly benefit amount from \$323 to \$333.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from \$8,398 to \$8,658 in the high quarter and from \$14,858 to \$15,318 in the base period.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$8,398 to \$8,658; increased the wage credits required for maximum potential benefits from \$8,398 to \$8,658 in the high quarter and from \$25,194 to \$25,974 in the base period.

TENNESSEE

– Amended Statute

**Legislation:**

■ **HB 3429** was signed by Governor Bill Haslam on May 9, 2012. The bill: (1) requires the Department to implement an internet-based system for employers to send and receive information; and (2) requires more information to be included on the UI tax statement at the request of an employer. Click [here](#) for a copy of **HB 3429**.

■ **HB 3431** was signed by Governor Bill Haslam on May 9, 2012. The bill: (1) amends the definition of “misconduct”; (2) disqualifies UI claimants from receiving benefits if: (a) receiving wages in lieu of notice, (b) received a severance package, (c) claimant was discharged through layoff, but employer offered same or similar job, or (d) offer of work withdrawn due to positive drug test; (3) requires 1000 random verification of claimants weekly to determine if they are “making a reasonable effort to secure work”, (4) makes a claimant ineligible to receive UI benefits if incarcerated four or more days in any week for which UI benefits are being claimed; (5) authorizes a separating employer to supply information to the agency prior to a request for information being mailed if the employer expects a separation issue to arise; (6) requires the Department to study the issue of “suitable work” including incremental decreases in wages when a person is collecting benefits over an extended period of time; (7) establishes a tiered reduction in benefits for what employment opportunities qualify as “suitable employment”; (8) disqualifies an individual for refusing or failing a drug test until secured subsequent employment and

been paid state and federal taxable wages of 10 times the claimant's weekly benefit amount. Click [here](#) for a copy of HB 3431. The companion bill, SB 3658, can be viewed by clicking [here](#).

■ **SB 884** was signed by Tennessee Governor Bill Haslam on April 4, 2012. The bill: (1) permits an employee to qualify for UI benefits if the employee is relocating to accompany a spouse who has been reassigned from one military assignment to another; and (2) states such UI benefits shall be payable from the state general revenue fund and not affect the employer's experience rating for the purpose of determining premiums. Click [here](#) for a copy of SB 884.

■ **SB 1325** was signed by Governor Bill Haslam on May 21, 2012. The bill requires each agency and political subdivision of the state, except where prohibited by federal law, to verify the lawful presence in the U.S. of each person 18 years of age and older who applies for state, local, or federal public benefits (including UI) from an agency or political subdivision. Click [here](#) for a copy of SB 1325. The companion bill, HB 1379, can be viewed by clicking [here](#).

■ **SB 2129** was signed by Tennessee Governor Bill Haslam on May 21, 2012. The bill creates the Tennessee Works program, administered by the department of labor and workforce development, to provide job training designed to attract new business, assist in the expansion of business, and retain existing business in this state. Click [here](#) for a copy of SB 2129. The companion bill, HB 2309, can be viewed by clicking [here](#).

■ **SB 2561** was signed by Tennessee Governor Bill Haslam on March 13, 2012. Under present law, a contractor must notify the commissioner of labor and workforce development of the names of all

subcontractors who will furnish or are furnishing labor, if the subcontracts are for \$10,000 or more and the contract that is: (1) With the state or any county, municipality or political subdivision, or any public board, department, commission or institution that is a part thereof; and (2) For construction or maintenance of public buildings, works or projects in which the total contract sum is \$100,000 or more and the time of performance is more than six months. The notice must be given not less than 30 days prior to paying the subcontractor the final 10 percent of the subcontract. The contractor must retain the final 10 percent for 30 days following the notice or until there is compliance with the present law provision whereby the department may notify the contractor of premiums and interest required or believed to be required under the Employment Security Law and owed by the subcontractor by reason of performance of the subcontract or any part of the contract, and the contractor must then, within the limits of the ten percent of the subcontract amount, retain the amount claimed to be due by the subcontractor or require that the subcontractor furnish bond for the amount to the department or make such other arrangement for satisfaction of the obligation of the subcontractor as are satisfactory to and protect the rights of the department. SB 2561 bill revises the above described provisions to change the applicable percentage from 10 percent to 5 percent. Click [here](#) for a copy of SB 2561. The companion bill, HB 2409, can be viewed by clicking [here](#).

■ **SB 2742** was signed by Tennessee Governor Bill Haslam on April 26, 2012. The bill: (1) provides that only authorized persons have access to evidence or information resulting from administrative inspections; (2) authorizes the department of labor and workforce development, in accordance with the federal treasury offset program, to set off any covered unemployment compensation



debt due to the department against any federal income tax refund due to the claimant debtor; (3) requires the United States secretary of the treasury to do the following when given notice from a state that a person owes a covered unemployment compensation debt to the state, such as unpaid unemployment premiums: (a) reduce the amount of any overpayment, including any federal income tax refund, payable to such person by the amount of such covered unemployment compensation debt and pay the amount by which such overpayment is reduced to the state; and (b) notify the person making such overpayment that the overpayment has been reduced by an amount necessary to satisfy a covered unemployment compensation debt; (4) states that the federal treasury offset program may not be used until the state: (a) notifies the person owing the covered unemployment compensation debt that the state proposes to take action using such program; (b) provides the person at least 60 days to present evidence that such liability is not legally enforceable or is not a covered unemployment compensation debt; (c) determines that such debt is legally enforceable and is a covered unemployment compensation debt; and (d) satisfies such other conditions as the secretary may prescribe; (5) authorizes the department to set off any covered UC debt due to the department against any federal income tax refund due to the department's claimant debtor; (6) permits the department to exercise the right of setoff if the obligation of the debtor was the result of one of the following: (a) fraud or the claimant debtor's failure to report earnings; (b) past due contributions due to the state's unemployment fund that remain uncollected and the state has determined the taxpayer debtor to be liable for those contributions; or (c) any penalties and interest assessed by the department on unemployment compensation debt; (7) specifies that the administrator will waive any overpayment that is not due to fraud, misrepresentation or

willful nondisclosure once it is outstanding for six, instead of three, years; (8) requires the commissioner to assess a penalty of 15 percent of such overpaid benefits as required by federal law and an additional penalty of 7.5 percent. Click [here](#) for a copy of SB 2742.

■ **SB 3241** was signed by Tennessee Governor Bill Haslam on May 10, 2012. The bill states that a discharge for misconduct under UI law will additionally result after a claimant entered into a written agreement with an employer to obtain a license or certification by a specified date as a condition of employment and subsequently the claimant willfully fails without good cause to obtain such license or certification by the specified date. Click [here](#) for a copy of SB 3241.

■ **SB 3657** was signed by Governor Bill Haslam on June 27, 2012. The bill permits certain employers to qualify as a "seasonal employer". Click [here](#) for a copy of SB 3657. The companion bill, HB 3430, can be viewed by clicking [here](#).

Administrative Changes: None

TEXAS

– Made
Administrative
Changes



Legislation: None.

Administrative Changes:

- ◆ Changed the time needed for employers to qualify for a rate based on experience from 1 year to 6-8 quarters.
- ◆ Increased the base period wages required for minimum benefits from \$2,257 to \$2,294.

- ◆ Increased the minimum weekly benefit amount from \$61 to \$62.
- ◆ Increase the maximum weekly benefit amount from \$426 to \$440.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from \$10,639 to \$11,000 in the high quarter and from \$15,762 to \$16,280 in the base period.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$11,076 to \$11,440; increased the wage credits required for maximum weekly benefit amount from \$10,639 to \$11,000 in the high quarter and from \$41,023 to \$42,370.37 in the base period.

UTAH

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **HB 263** was signed by Utah Governor Gary Herbert on March 15, 2012. The bill: (1) permits an employee who voluntarily leaves employment to qualify for UI benefits if the employee is relocating to accompany a spouse who has been reassigned from one military assignment on active duty to another, it is impractical to commute to the previous work from the new locality, and the claimant follows eligibility and reporting requirements of the UI Division; and (2) states such UI benefits shall not be charged to the employer's experience rating. Click [here](#) for a copy of HB 263.

■ **HB 388** was signed by Utah Governor Gary Herbert on March 22, 2012. The bill

provides that the denial of certain unemployment benefits, which under statute currently apply to an individual who was employed by an education service agency, whose employment provided services to an educational institution; and who worked for certain governmental entities or nonprofit organizations. Click [here](#) for a copy of **HB 388**.

■ **SB 129** was signed by Utah Governor Gary Herbert on February 16, 2012. The bill: (1) reduces the maximum unemployment insurance contribution rate for an employer beginning in calendar year 2012; (2) caps the social unemployment insurance contribution rate for all employers for calendar year 2012 only; (3) reduces the maximum unemployment insurance contribution rate for an employer from 9% plus the social contribution rate to 7% plus the social contribution rate beginning in calendar year 2012; (4) caps the social unemployment insurance contribution rate for all employers at .4% for calendar year 2012 only; (5) provides that if the reserve fund is insolvent, the reserve factor is 2.0 until the reserve fund becomes solvent; (6) allows the Unemployment Insurance Division to accept an offer of compromise from an employer or claimant to reduce past due debt under certain circumstances; (7) requires the UI Division to make rules allowing for an offer of compromise. Click [here](#) for a copy of **SB 129**.

■ **SB 274** was signed by Utah Governor Gary Herbert on March 20, 2012. This bill: (1) replaces references to the Workforce Services and Community and Economic Development Interim Committee with the Economic Development and Workforce Services Interim Committee; (2) amends annual report requirements to certain legislative committees by reducing and consolidating reports from executive branch

agencies; and (3) provides uniform language for agencies to submit annual written reports before November 1. Click [here](#) for a copy of SB 274.

Administrative Changes:

- ◆ The taxable wage base increased from \$29,500 to \$30,300.
- ◆ Decreased the maximum tax rate on both the lowest and highest schedules from 9.50% to 7.50%.
- ◆ Increased the current minimum tax rate from 0.40% to 0.50%.
- ◆ Decreased the current maximum tax rate from 9.40% to 7.50%.
- ◆ Increased the base period wages required for minimum benefits from \$3,200 to \$3,300.
- ◆ Increased the minimum weekly benefit amount from \$25 to \$26.
- ◆ Increased the maximum weekly benefit amount from \$467 to \$474.
- ◆ Increased the minimum wage credits required for maximum weekly benefits from \$12,142 to \$12,584 in the high quarter, and from \$18,213 to \$18,876.
- ◆ **Duration of Benefits:** Increased the maximum potential benefit amount from \$12,142 to \$12,454; increased the wage credits required for maximum benefits from \$12,142 to \$12,584 in the high quarter and from \$44,970 to \$46,607 in the base period.

VERMONT

– Amended Statute
and Made
Administrative
Changes



- **SB 95** was signed by Vermont Governor Peter Shumlin on May 5, 2012. The act: (1) exempts newspaper deliverers who sell or deliver a weekly or monthly newspaper from the unemployment statutes; (2) relieves an employer's experience rating record of such charges if the employer paid \$1,000 or less to an individual in his or her base period; and (3) commissions a study of the receipt of UI impact of allowing people who work in a non-administrative capacity for an educational institution to receive unemployment compensation between academic terms. Click [here](#) for a copy of SB 95.

Administrative Changes:

- ◆ Changed the qualifying formula for minimum benefits and duration to '\$2,227 in one quarter plus BP wages of at least 40% of HQW'.
- ◆ Increased the wages required for minimum benefits from \$3,084 to \$3,117 in the base period and from \$2,203 to \$2,227 in the high quarter.
- ◆ Increased the minimum weekly benefit amount from \$68 to \$69.
- ◆ Decreased the number of weeks of minimum benefits from 26 to 20.
- ◆ Set the minimum wage credits required for maximum weekly benefit amount at \$2,227 in the high quarter.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from
- ◆ Effective July 1, 2013, a person found guilty of fraud shall pay an additional penalty of 15% of the amount of overpaid benefits.

Legislation:



VIRGINIA

– Amended Statute
and Made
Administrative
Changes

**Legislation:**

■ **HB 452** was signed by Virginia Governor Bob McDonnell on March 1, 2012. The bill authorizes the Virginia Employment Commission to provide a digital or other electronic recording of the testimony taken at any hearing before a deputy, appeal tribunal, or the Commission with the consent of all parties who participated in the hearing. The bill further states a recording would be an alternative to a transcript and it may be transmitted in any medium that provides protection by reasonable security measures from unauthorized interception. Click [here](#) for a copy of **HB 452**.

■ **HB 1062** (identical to **SB 295**) was signed by Virginia Governor Bob McDonnell on March 1, 2012. The bill eliminates the mandatory requirement that the Office of the Attorney General represent the interests of the Commonwealth in hearings conducted before the Virginia Employment Commission regarding an employer's tax liability. Click [here](#) for a copy of **HB 1062**.

■ **SB 54** was signed by Virginia Governor Bob McDonnell on March 21, 2012. The bill postpones the scheduled increase, from \$2,700 to \$3,000, in the minimum amount of wages an employee must have earned in the two highest earnings quarters of his base period in order to be eligible for UI benefits. The increase will apply to claims filed on or after July 6, 2014 instead of applying to claims filed on or after July 1, 2012. Click

[here](#) for a copy of **SB 54**.

■ **SB 248** was signed by Virginia Governor Bob McDonnell on March 21, 2012. The bill permits all employers of domestic service individuals in the private home of the employer to pay unemployment taxes and file reports annually instead of quarterly. Click [here](#) for a copy of **SB 248**.

■ **SB 295** (identical to **HB 1062**) was signed by Virginia Governor Bob McDonnell on March 7, 2012. The bill eliminates the mandatory requirement that the Office of the Attorney General represent the interests of the Commonwealth in hearings conducted before the Virginia Employment Commission regarding an employer's tax liability. Click [here](#) for a copy of **SB 295**.

■ **SJR 16** passed the Virginia Senate and House as of March 14, 2012. The Senate Joint Resolution directs the Commission on Unemployment Compensation to study conforming provisions of the Virginia Unemployment Compensation Act to requirements of the Trade Adjustment Assistance Extension Act of 2011. Click [here](#) for a copy of **SJR 16**.

Administrative Changes:

- ◆ Decreased the tax rate for new employers from 3.23% to 3.08%.
- ◆ Decreased the current minimum tax rate from 0.83% to 0.68%.
- ◆ Decreased the current maximum tax rate from 6.93% to 6.78%.

Governor Earl Ray Tomblin on April 2, 2012. The bill: (1) permits an employee who voluntarily leaves employment to qualify for UI benefits if the employee is relocating to accompany a spouse who has been reassigned from one military assignment on active duty to another; and (2) states such UI benefits shall not be charged to the employer's experience rating. Click [here](#) for a copy of HB 4007.

■ **HB 4542** was signed by West Virginia Governor Earl Ray Tomblin on April 2, 2012. The bill states that effective July 1, 2012, contributory and reimbursable employers may not be relieved of benefit charges to their accounts if an overpayment of benefits established is the result of the employer's failure, or the failure of third party agents acting on the employer's behalf, to provide requested information timely or to adequately allow the agency to accurately determine a claimant's eligibility for benefits when his or her claim is initially filed. Click [here](#) for a copy of HB 4542.

■ **HB 4549** was signed by West Virginia Governor Earl Ray Tomblin on April 2, 2012. The bill: (1) states that after July 1, 2012, a penalty of twenty percent of the amount of the erroneous payment attaches to the amount of the liability to be repaid by the benefit recipient for any payment of benefits determined to be obtained by the recipient's fraudulent statements or actions; (2) allocates the first seventy-five percent of the penalty collected from the benefit recipient shall be deposited in the state's Unemployment Trust Fund with the remaining twenty-five percent of the penalty collected to be deposited in a special administrative account to be used for increased integrity activities to identify and recover erroneous payments of benefits created by fraudulent activities of benefit recipients; and (3) states that the penalty

amounts established due to fraudulent activities of benefit recipients may not be used to offset future benefits payable to benefit recipients. Click [here](#) for a copy of HB 4549.

Administrative Changes: None.

WISCONSIN

– Amended Statute
and Made
Administrative
Changes



Legislation:

■ **AB 450** was signed by Wisconsin Governor Scott Walker with a partial veto on March 12, 2012. The bill: (1) creates a pilot program of special occupational training that is not approved training; (2) directs the Department of Workforce Development (DWD) to designate three areas served by local workforce development boards in which the program shall be offered; (3) requires the DWD to offer the program throughout each designated area; (4) states the training consists of voluntary six-week placements of UI claimants for 20 to 24 hours per week with employers who elect to offer the training directly; (5) prohibits a trainee from being an employee of the employer offering the training; (6) directs DWD to accept applications from employers who wish to offer the training and to place claimants who wish to participate in available openings; (7) requires an employer to affirm that it currently has one job opening for each training participant that it seeks in a position that a successful participant would potentially qualify to fill; and (8) limits claimants to no more than two placements during a benefit year (period during which

benefits are payable). The Governor's veto removed a conflicting section regarding the application of workers' compensation to trainees and eliminated a proposed 180 effective date. Click [here](#) for Governor Walker's veto message. Click [here](#) for a copy of AB 450.

■ **SB 219** was signed by Wisconsin Governor Scott Walker on April 3, 2012. The bill: (1) provides that a claimant who conceals any material fact relating to his or her eligibility for benefits or conceals any wages is subject to a graduated forfeiture of benefit amounts equivalent to specified weeks of benefit eligibility that increases in severity with the number of determinations of concealment by the claimant. In addition, a claimant who is found guilty of concealment is subject to a penalty equal to 15 percent of the benefit payments paid to the claimant; (2) creates a segregated fund called the unemployment program integrity fund for deposit of all penalties collected and designates moneys in the fund be used for the payment of costs associated with program integrity (fraud detection and prevention) activities; (3) provides that an employee is ineligible to receive any benefits for a week if the employee receives from one or more employers (a) wages earned for work performed in that week of more than \$500; or (b) sick pay, holiday pay, vacation pay, or termination pay which, by itself or in combination with wages earned for work performed in that week, is equivalent to more than \$500; (4) provides that a claimant is ineligible to receive any benefits for a week in which one or more of the following applies to the claimant for 32 or more hours in that week: (a) the claimant performs work; (b) the claimant receives certain amounts treated as wages for that week; or (c) the claimant receives holiday pay, vacation pay, termination pay, or sick pay that is treated as wages under current

law; (5) deletes an employee's refusal to take a test for illegal drugs or a withdrawal or failure to extend an offer of employment due to a positive test result as an element of failure to accept suitable work; (6) provides that a claimant is ineligible to receive benefits for any week for which there is a determination that the claimant failed to conduct a reasonable search for suitable work and DWD has not waived the work search requirement and permits recovery of benefits in the same manner as other overpayments are recovered if benefits have been paid to a claimant for such a week; (7) provides that DWD shall redetermine the contribution rate of a successor employer as of the beginning of the first calendar year beginning after the effective date when a business is transferred from one employer to another employer; (8) provides that, except with respect to providers of home health care and personal care services for medical assistance recipients, DWD must consider nine factors concerning an employer's relationship to an employee and three other factors concerning the beneficiary of an employee's services, maintenance of a staff of employees to perform the employee's services, and responsibility for employee compliance with regulatory laws in determining who is the employer of a particular employee; (9) states that a provider of home health care and personal care services for medical assistance recipients may elect to be the employer of employees providing those services, if the provider notifies in writing the recipient of the services of its election and the provider is treated by the federal Internal Revenue Service as an employer for purposes of compliance with federal unemployment tax laws; (10) creates a segregated fund called the unemployment interest payment fund for deposit of all unencumbered moneys collected on interest assessments and all moneys to be collected on assessments



previously made; and (11) permits DWD to offset adjudicated UI liabilities for failure to report earnings. Click [here](#) for a copy of SB 219.

■ **SB 417** was signed by Wisconsin Governor Scott Walker on April 6, 2012. The bill: (1) provides that a claimant who is found guilty of concealing a material fact relating to his or her eligibility is subject to a penalty equal to 15 percent of the benefit payments erroneously paid to the claimant as a result of any acts of concealment; (2) designates revenues collected from the penalties are deposited in the unemployment reserve fund used to pay benefits; (3) specifies that a claimant is not considered to be available for work in any week in which he or she is in a country other than the United States or Canada for more than 48 hours unless the claimant has authorization to work in that other country and there is a reciprocal agreement concerning the payment of benefits between that other country and the United States; (4) changes the interest rate on delinquent payments to that monthly rate that annualized is equal to 9 percent or to 2 percent more than the prime rate as published in the Wall Street Journal as of September 30 of the preceding year, whichever is greater, for each month or fraction thereof that the employer is delinquent; (5) permits DWD to appoint any attorney who is licensed to practice in this state to serve as a temporary appeal tribunal; and (6) provides that the actions of appeal tribunals must be consistent with applicable state and federal law. Click [here](#) for a copy of SB 417.

Administrative Changes:

- ◆ Newspaper carriers are excluded from coverage for benefit purposes, regardless of age or method of remuneration.

- ◆ Increased taxable wage base from \$13,000 to \$14,000.
- ◆ Increased the qualifying period for tax rates based on experience from 30 months to 3 years.
- ◆ Decreased the rates for new employers in the construction industry from 7.10% to 6.60%.
- ◆ Set new employer rates for all other industries to the following: 3.60% for employers with taxable payroll under \$500,000; 4.10% for employers with a taxable payroll of \$500,000 or more; New employers with payroll over \$10 million may elect to pay 1.0% for first three years.
- ◆ Changed the penalty for fraud to 2 to 8 X WBA plus 15% penalty on overpayments resulting from claimant's fraud.

WYOMING

– *Amended Statute
and Made
Administrative
Changes*



Legislation:

■ **HB 9** was signed by Wyoming Governor Matt Mead on March 8, 2012. The bill: (1) requires employers to report the date services for remuneration were first performed by the employee; and (2) defines “newly hired employee” as an individual who has not previously been employed by the employer or was previously employed but has been separated from employment for at least sixty days. Click [here](#) for a copy of HB 9.

Administrative Changes:

- ◆ Increased the taxable wage base from \$23,000 to \$23,800.
- ◆ Decreased the current rate on the highest schedule from 0.65% to 0.63%.
- ◆ Changed the Solvency Adjustment Factor from 0.24% to 0.23% for employers with a zero experience rate, and from 1.09% to 1.10% for all other employers.
- ◆ Decreased the Pool Costs Adjustment Factor from 0.246% to 0.240%.
- ◆ Decreased the Employment Support fund Assessment from 0.164% to 0.160%.
- ◆ Decreased the wages required for minimum benefits from \$3,350 to \$3,450 in the base period.
- ◆ Increased the wages required for minimum benefits from \$800 to \$825 in the high quarter.
- ◆ Increased the minimum weekly benefit amount from \$32 to \$33.
- ◆ Increased the maximum weekly benefit amount from \$444 to \$459.
- ◆ Increased the minimum wage credits required for maximum weekly benefit amount from \$11,100 to \$11,544 in the high quarter and from \$15,540 to \$16,065 in the base period.
- ◆ Increased the maximum potential benefit amount from \$11,544 to \$11,934.
- ◆ Increased the wage credits required for maximum potential benefits from \$11,100 to \$11,475 in the high quarter and from \$38,480 to \$39,780 in the base period.

UWC wishes to acknowledge that many of the legislative summaries were derived or excerpted from analyses prepared by various state agencies or research bureaus and the U.S. Department of Labor.

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