

Representative Merlynn T. Newbold proposes the following substitute bill:

EMPLOYMENT SECURITY ACT

MODIFICATIONS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Merlynn T. Newbold

This act amends the Employment Security Act by providing for additional unemployment compensation benefits for individuals who have exhausted their regular benefits. The act provides specific requirements to receive the additional benefits and a limit on the amount of benefits an individual can receive. The act sunsets Section 35A-4-402.5 on July 1, 2004.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

63-55-235, as last amended by Chapter 46, Laws of Utah 2001

ENACTS:

35A-4-402.5, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **35A-4-402.5** is enacted to read:

35A-4-402.5. Additional benefits.

(1) The eligibility provisions of this chapter and department rules which apply to claims for, or payments of, regular benefits apply to claims for, and payments of, additional

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benefits, hereafter referred to in this section as "additional benefits," except when the result would be inconsistent with the other provisions of this section or the rules of the department.

(2) An individual is eligible to receive additional benefits if the individual:

(a) has received or exhausted all of the regular benefits that were available to the individual under this chapter or any other state law, including benefits payable to federal



26 civilian employees and ex-servicemen under 5 U.S.C. Chapter 85. An individual, for the
27 purposes of this Subsection (2)(a), is considered to have received all of the regular benefits that
28 were available to the individual even though, as a result of a pending appeal with respect to
29 wages or employment, or both, that were not considered in the original monetary determination
30 in the individual's benefit year, the individual may subsequently be determined to be entitled to
31 added regular benefits;

32 (b) has insufficient wages to establish a new benefit year or has sufficient wages but
33 does not meet the subsequent qualifying provisions of Subsection 34A-4-403(1)(g);

34 (c) has no right to unemployment benefits or allowances, as the case may be, under the
35 Railroad Unemployment Insurance Act, and has not received, and is not seeking,
36 unemployment benefits under the unemployment compensation law of any other state,
37 Washington D.C., the Virgin Islands, Puerto Rico, or Canada. If the individual is seeking those
38 benefits and the appropriate agency finally determines that the individual is not entitled to
39 benefits under that law, the individual may be eligible for additional benefits;

40 (d) filed an initial claim for regular benefits on or after March 15, 2001; and

41 (e) files an initial application for additional benefits on or after June 1, 2003, and on or
42 before December 27, 2003, and has an effective date no later than December 21, 2003.

43 (3) (a) (i) The first payable week for additional benefits is the week beginning June 1,
44 2003.

45 (ii) The last payable week for additional benefits is the week beginning January 25,
46 2004.

47 (b) Notwithstanding Section 35A-4-402, "regular benefits" as used in this section
48 means benefits payable to an individual under this chapter or under any other state law,
49 including benefits payable to federal civilian employees and to ex-servicemen under 5 U.S.C.
50 Chapter 85, other than extended benefits and additional benefits.

51 (4) (a) The weekly additional benefit amount is the same as the weekly regular benefit
52 amount payable during the individual's applicable benefit year.

53 (b) The applicable benefit year means the benefit year for the most recent claim for
54 regular benefits that was effective on or after March 15, 2001, for which the individual was
55 monetarily eligible.

56 (5) The total additional benefit amount payable to any eligible individual is five times

57 the individual's weekly regular benefit amount payable under this chapter for a week of total
 58 unemployment in the applicable benefit year.

59 (6) An individual shall exhaust the individual's entitlement to benefits in the following
 60 order:

61 (a) regular benefits;

62 (b) Temporary Extended Unemployment Compensation, if available;

63 (c) ~~h~~ [additional] EXTENDED ~~h~~ benefits;

64 (d) ~~h~~ [extended] ADDITIONAL ~~h~~ benefits; and

65 (e) Trade Readjustment Allowances (TRA).

66 (7) TRA and additional benefits cannot be paid for the same week.

67 (8) (a) ~~h~~ [Benefits costs for additional benefits may not be charged to contributory
 68 employers] THE DIVISION MAY NOT CHARGE A CONTRIBUTING BASE EMPLOYER'S ACCOUNT WITH
 68a ANY PORTION OF ADDITIONAL BENEFITS PAID TO AN INDIVIDUAL UNDER THIS SECTION ~~h~~ .

69 (b) Reimbursable and federal employers and branches of the military are not liable to
 70 pay the division for additional benefits.

71 Section 2. Section **63-55-235** is amended to read:

72 **63-55-235. Repeal dates, Title 35A.**

73 (1) Title 35A, Utah Workforce Services Code, is repealed July 1, 2005.

74 (2) Section 35A-3-114, the Displaced Homemaker Program, together with the
 75 provision for funding that program contained in Subsection 17-16-21(2)(b), is repealed July 1,
 76 2007.

77 (3) Section 35A-4-402.5, the additional ~~h~~ **UNEMPLOYMENT COMPENSATION** ~~h~~ benefits
 77a program, is repealed July 1, 2004.

Fiscal Note**Employment Security Act Modifications***14-Feb-03***Bill Number: HB0019s1***10:28 AM*

This bill will require an appropriation of \$208,700 in FY 2003 and \$162,500 in FY 2004 from federal Reed Act funds. About \$5,500,000 will be spent in FY 2003 and \$16,588,400 in FY 2004 from the Federal Unemployment Insurance Trust Fund. These funds are a direct pass-through and do not need to be appropriated.

	<u>FY 03 Approp.</u>	<u>FY 03 Revenue</u>	<u>FY 04 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Approp.</u>	<u>FY 05 Revenue</u>
Federal Funds	\$208,700	\$0	\$162,500	\$0	\$0	\$0
TOTAL	\$208,700	\$0	\$162,500	\$0	\$0	\$0

Individual and Business Impact

About 16,500 individual whose employment benefits have been exhausted will receive up to five weeks of additional benefits if they qualify. Contributory employers will not be charged for any benefit costs and reimbursable employers will not be required to repay the Trust Fund for any claims filed. The additional payments will be covered by Reed Act funds.

Office of the Legislative Fiscal Analyst