

1                                   **APPRENTICESHIP UNEMPLOYMENT**  
2                                   **INSURANCE AMENDMENTS**

3                                   1999 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: Ed P. Mayne**

6 AN ACT RELATING TO EMPLOYMENT SECURITY; EXEMPTING EMPLOYERS FROM  
7 PAYING UNEMPLOYMENT INSURANCE WHILE AN EMPLOYEE ATTENDS  
8 MANDATORY APPRENTICESHIP TRAINING; AND EXEMPTING APPRENTICES FROM  
9 THE ONE-WEEK WAITING REQUIREMENT FOR UNEMPLOYMENT BENEFITS.

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

11 AMENDS:

12           **35A-4-307**, as renumbered and amended by Chapter 240, Laws of Utah 1996

13           **35A-4-403**, as last amended by Chapter 375, Laws of Utah 1997

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

15           Section 1. Section **35A-4-307** is amended to read:

16           **35A-4-307. Social costs -- Relief of charges.**

17           (1) Social costs shall consist of those benefit costs defined as follows:

18           (a) Benefit costs of an individual will not be charged to a base-period employer, but will  
19 be considered social costs if the individual's separation from that employer occurred under any of  
20 the following circumstances:

21           (i) the individual was discharged by the employer or voluntarily quit employment with the  
22 employer for disqualifying reasons, but subsequently requalified for benefits and actually received  
23 benefits;

24           (ii) the individual received benefits following a quit which was not attributable to the  
25 employer; [or]

26           (iii) the individual received benefits following a discharge for nonperformance due to  
27 medical reasons[-]; or

28 (iv) the individual received benefits while attending mandatory apprenticeship training.

29 (b) Social costs are benefit costs which are or have been charged to employers who have  
30 terminated coverage and are no longer liable for contributions, less the amount of contributions  
31 paid by such employers during the same time period.

32 (c) The difference between the benefit charges of all employers whose benefit ratio  
33 exceeds the maximum overall contribution rate and the amount determined by multiplying the  
34 taxable payroll of the same employers by the maximum overall contribution rate is a social cost.

35 (d) Benefit costs attributable to a concurrent base-period employer will not be charged to  
36 that employer if the individual's customary hours of work for that employer have not been reduced.

37 (e) Benefit costs incurred during the course of division-approved training which occurs  
38 after December 31, 1985, will not be charged to base-period employers.

39 (f) Benefit costs will not be charged to employers if such costs are attributable to:

40 (i) the state's share of extended benefits;

41 (ii) uncollectible benefit overpayments;

42 (iii) the proportion of benefit costs of combined wage claims that are chargeable to Utah  
43 employers and are insufficient when separately considered for a monetary eligible claim under  
44 Utah law and which have been transferred to a paying state; and

45 (iv) benefit costs attributable to wages used in a previous benefit year that are available  
46 for a second benefit year under Subsection 35A-4-401(2) because of a change in method of  
47 computing base-periods, overlapping base-periods, or for other reasons required by law.

48 (g) Any benefit costs that are not charged to an employer and not defined in this subsection  
49 are also social costs.

50 (2) Subsection (1) applies only to contributing employers and not to employers that have  
51 elected to finance the payment of benefits in accordance with Section 35A-4-309 or 35A-4-311.

52 Section 2. Section **35A-4-403** is amended to read:

53 **35A-4-403. Eligibility of individual -- Conditions -- Furnishing reports -- Weeks of**  
54 **employment -- Successive benefit years.**

55 (1) ~~[An]~~ Except as provided in Section (2), an unemployed individual is eligible to receive  
56 benefits with respect to any week only if the division finds:

57 (a) The individual has made a claim for benefits with respect to that week in accordance  
58 with any rules the department may prescribe.

59 (b) The individual has registered for work at, and thereafter continued to report at, an  
60 employment office, in accordance with any rules the department may prescribe.

61 (c) The individual is able to work and is available for work during each and every week  
62 with respect to which the individual made a claim for benefits under this chapter, and acted in good  
63 faith in an active effort to secure employment, except as provided in Subsection (3).

64 (d) The individual has been unemployed for a waiting period of one week with respect to  
65 each benefit year. A week may not be counted as a week of unemployment for the purpose of this  
66 subsection:

67 (i) unless it occurs within the benefit year that includes the week with respect to which the  
68 individual's claims benefits;

69 (ii) if benefits have been paid with respect to the claim; or

70 (iii) unless the individual was eligible for benefits with respect thereto as provided in this  
71 section and Sections 35A-4-401 and 35A-4-405, except for the requirement of Subsection (1)(d).

72 (e) (i) The individual has furnished the division separation and other information the  
73 department may by rule prescribe.

74 (ii) Subsection (1)(e) does not apply if the individual proves to the satisfaction of the  
75 division that the individual had good cause for failing to furnish the information.

76 (iii) If any employer fails to furnish reports concerning separation and employment as  
77 required by this chapter and rules adopted under the chapter, the division shall on the basis of such  
78 information as it may obtain, determine the eligibility and insured status of any individual affected  
79 by that failure and the employer is not considered to be an interested party to any such  
80 determination.

81 (f) The individual's base period wages were at least 1-1/2 times the individual's wages for  
82 insured work paid during that quarter of the individual's base period in which the individual's  
83 wages were highest or the individual shows to the satisfaction of the division that the individual  
84 worked at least 20 weeks in insured work during the individual's base period and earned wages of  
85 at least 5% of the monetary base period wage requirement each week, rounded to the nearest whole  
86 dollar, provided that the individual's total base-period wages were not less than the monetary base  
87 period wage requirement. The monetary base period wage requirement is defined in Section  
88 35A-4-201.

89 (g) The individual applying for benefits in a successive benefit year has had subsequent

90 employment since the effective date of the preceding benefit year equal to at least six times the  
91 individual's weekly benefit amount, in insured work, and the individual's total wages and  
92 employment experience in the individual's base period meet the requirements specified in  
93 Subsection (1)(f).

94 (2) (a) An individual in training with the approval of the division is not ineligible to  
95 receive benefits by reason of nonavailability for work, failure to search for work, refusal of suitable  
96 work, [or] failure to apply for or to accept suitable work, or not having been unemployed for a  
97 waiting period of one week with respect to any week the individual is in the approved training.  
98 For purposes of this Subsection (2)(a), the division shall approve any mandatory  
99 apprenticeship-related training.

100 (b) Notwithstanding any other provision of this chapter, no otherwise eligible individual  
101 shall be denied benefits for any week:

102 (i) because the individual is in training approved under Section 236 (a)(1) of the Trade Act  
103 of 1974, 19 U.S.C. 2296(a);

104 (ii) for leaving work to enter training described in Subsection (2)(b)(i) if the work left is  
105 not suitable employment; or

106 (iii) because of the application to any such week in training of provisions in this law or any  
107 applicable federal unemployment compensation law relating to availability for work, active search  
108 for work, or refusal to accept work.

109 (c) For purposes of this Subsection (2), "suitable employment" means work of a  
110 substantially equal or higher skill level than the individual's past adversely affected employment,  
111 as defined for purposes of the Trade Act of 1974, and wages for that work at not less than 80% of  
112 the individual's average weekly wage as determined for the purposes of the Trade Act of 1974.

113 (3) The department may, by rule, waive or alter either or both of the requirements of  
114 Subsections (1)(a) and (b) as to individuals attached to regular jobs and as to other types of cases  
115 or situations with respect to which it finds that compliance with the requirements would be  
116 oppressive, or would be inconsistent with the purposes of this chapter as long as the rules do not  
117 conflict with Subsection 35A-4-401(1).

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**Legislative Review Note**

**as of 2-5-99 11:08 AM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**