

UNEMPLOYMENT INSURANCE REVISIONS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Luz Robles

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions of the Employment Security Act related to unemployment insurance benefits.

Highlighted Provisions:

This bill:

- ▶ provides that unemployment benefits may not be denied to an individual solely on the fact that the individual is seeking only part-time work, so long as a majority of the weeks in the individual's base period consists of part-time work; and
- ▶ requires an annual report by the division on the impact of these modifications.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

35A-4-403, as last amended by Laws of Utah 2008, Chapter 43

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

Section 1. Section **35A-4-403** is amended to read:

35A-4-403. Eligibility of individual -- Conditions -- Furnishing reports -- Weeks



28 **of employment -- Successive benefit years.**

29 (1) Except as provided in Subsection (2), an unemployed individual is eligible to
30 receive benefits for any week if the division finds:

31 (a) the individual has made a claim for benefits for that week in accordance with rules
32 the department may prescribe, except as provided in Subsection (3);

33 (b) the individual has registered for work with the department and acted in a good faith
34 effort to secure employment during each and every week for which the individual made a claim
35 for benefits under this chapter in accordance with rules the department may prescribe, except as
36 provided in Subsection (3);

37 (c) the individual is able to work and is available for full-time work during each and
38 every week for which the individual made a claim for benefits under this chapter, except the
39 division may not deny benefits to an individual solely on the fact that the individual is seeking
40 only part-time work, so long as a majority of the weeks in the individual's base period consists
41 of part-time work;

42 (d) the individual has been unemployed for a waiting period of one week for each
43 benefit year, but a week may not be counted as a week of unemployment for the purpose of this
44 Subsection (1)(d):

45 (i) unless it occurs within the benefit year that includes the week for which the
46 individual claims benefits;

47 (ii) if benefits have been paid for the claim; or

48 (iii) unless the individual was eligible for benefits for the week as provided in this
49 section and Sections 35A-4-401 and 35A-4-405, except for the requirement of this Subsection
50 (1)(d);

51 (e) (i) the individual has furnished the division separation and other information the
52 department may prescribe by rule, or proves to the satisfaction of the division that the
53 individual had good cause for failing to furnish the information;

54 (ii) if an employer fails to furnish reports concerning separation and employment as
55 required by this chapter and rules adopted under the chapter, the division shall, on the basis of
56 information it obtains, determine the eligibility and insured status of an individual affected by
57 that failure and the employer is not considered to be an interested party to the determination;

58 (f) (i) the individual's base period wages were at least 1-1/2 times the individual's

59 wages for insured work paid during that quarter of the individual's base period in which the
60 individual's wages were highest; or

61 (ii) the individual shows to the satisfaction of the division that the individual worked at
62 least 20 weeks in insured work during the individual's base period and earned wages of at least
63 5% of the monetary base period wage requirement each week, rounded to the nearest whole
64 dollar, provided that the individual's total base-period wages were not less than the monetary
65 base period wage requirement as defined in Section 35A-4-201; and

66 (g) (i) the individual applying for benefits in a successive benefit year has had
67 subsequent employment since the effective date of the preceding benefit year equal to at least
68 six times the individual's weekly benefit amount, in insured work; and

69 (ii) the individual's total wages and employment experience in the individual's base
70 period meet the requirements specified in Subsection (1)(f).

71 (2) (a) For purposes of this Subsection (2), "suitable employment" means:

72 (i) work of a substantially equal or higher skill level than the individual's past adversely
73 affected employment as defined for purposes of the Trade Act of 1974; and

74 (ii) wages for that work at not less than 80% of the individual's average weekly wage
75 as determined for purposes of the Trade Act of 1974.

76 (b) (i) An individual in training with the approval of the division is not ineligible to
77 receive benefits by reason of nonavailability for work, failure to search for work, refusal of
78 suitable work, failure to apply for or to accept suitable work, or not having been unemployed
79 for a waiting period of one week for any week the individual is in the approved training.

80 (ii) For purposes of Subsection (2)(b)(i), the division shall approve any mandatory
81 apprenticeship-related training.

82 (c) Notwithstanding any other provision of this chapter, the division may not deny an
83 otherwise eligible individual benefits for any week:

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

86 (ii) for leaving work to enter training described in Subsection (2)(c)(i) if the work left
87 is not suitable employment; or

88 (iii) because of the application to any such week in training of provisions in this law or
89 any applicable federal unemployment compensation law relating to availability for work, active

90 search for work, or refusal to accept work.

91 (3) The department may, by rule, waive or alter either or both of the requirements of
92 Subsections (1)(a) and (b) as to:

93 (a) individuals attached to regular jobs;

94 (b) a disaster in Utah as declared by the President of the United States or by the state's
95 governor after giving due consideration to factors directly associated with the disaster,
96 including:

97 (i) the disaster's impact on employers and their ability to employ workers in the
98 affected area in Utah;

99 (ii) the disaster's impact on claimants and their ability to comply with filing
100 requirements in the affected area in Utah; and

101 (iii) the magnitude of the disaster and the anticipated time for recovery; and

102 (c) cases or situations when it finds that compliance with the requirements would be
103 oppressive, or would be inconsistent with the purposes of this chapter, as long as the rule does
104 not conflict with Subsection 35A-4-401(1).

105 (4) The director of the division or the director's designee shall make an annual report to
106 the Workforce Employment Advisory Council and to the Legislature's Workforce Services and
107 Community and Economic Development Interim Committee no later than November 30 of
108 2011, 2012, and 2013, concerning the impact on individuals applying for unemployment
109 compensation and the unemployment trust insurance fund as a result of the amendment made
110 to Subsection 35A-4-403(1)(c) during the Legislature's 2010 General Session.

Legislative Review Note
as of 12-28-09 10:26 AM

Office of Legislative Research and General Counsel

S.B. 115 - Unemployment Insurance Revisions

Fiscal Note

2010 General Session
State of Utah

State Impact

Enactment of this bill would require an additional appropriation from the Unemployment Insurance Trust Fund of \$77,000 in FY 2010; \$3,008,000 in FY 2011; and \$5,908,000 in FY 2012. This bill would increase the Unemployment Insurance Trust Fund balance by \$20,332,402 in FY 2010; \$725,000 in FY 2011; \$2,900,000 in FY 2012; and \$5,800,000 in FY 2013 and beyond. Additional costs may be incurred by the State depending upon required unemployment reimbursements associated with changes in the overall state workforce.

	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2011</u> <u>Approp.</u>	<u>FY 2012</u> <u>Approp.</u>	<u>FY 2010</u> <u>Revenue</u>	<u>FY 2011</u> <u>Revenue</u>	<u>FY 2012</u> <u>Revenue</u>
Restricted Funds	\$77,000	\$3,008,000	\$5,908,000	\$20,332,402	\$725,000	\$2,900,000
Total	\$77,000	\$3,008,000	\$5,908,000	\$20,332,402	\$725,000	\$2,900,000

Individual, Business and/or Local Impact

Local governments may be impacted by increases in the reimbursement of unemployment benefit costs that would need to repaid dollar for dollar. Business Unemployment Insurance tax rates may increase. Individuals may benefit through expanded unemployment insurance coverage.