

Unemployment Insurance Legislative Reforms

SB 806

- Suitable work requirements and thresholds: When a claimant has received 50 percent of their benefits in a benefit year, available work shall not be considered "unsuitable" if it is outside of their experience if it pays at least the "common or prevalent" wage for similar work in the locality and is 120 percent or more of the claimants weekly benefit amount.
- Strengthen "Looking for Work" requirement:
 - The Unemployment Insurance Agency (UIA) will create an "auditable" certification program through on-line and phone certification systems that claimants provide tangible evidence that they are engaged in systematic and sustained work search activities.
 - To retain benefit eligibility, claimants must be able and available to appear at an Agency location or respond to the Agency within 14 days if there is a substantive reason for the Agency to question the claimant on benefit eligibility matters.
 - Claimants must update the chargeable employer and the Agency with current contact information for return to work notices.
- Tighten eligibility and disqualification standards:
 - A claimant filing a new claim that reports the reason for separation as "voluntary" will be presumed to have left without good cause attributable to the employer and will be considered disqualified unless substantial evidence is presented to the contrary.
 - "Negligently" losing a job qualification (truck driver gets a DUI and loses license) would be a disqualification event.
 - "Chronic absenteeism", where an individual is absent for a period of three consecutive work days without contacting the employer, will be considered a voluntary quit.
 - Individuals claiming to have involuntarily left work for reasons other than lack of work would be subject to standards of proof supported by medical professionals (physical or mental) and proof that alternative work or leave of absence was not available.
 - Disqualifications for work-place drug use that are disputed by claimants would require a confirmatory test on the same sample and shall be conclusive.
 - Create a period of two years from the date of disqualification for theft from an employer for benefits to be denied. This would allow time for a prosecution external to UIA to conclude. If conviction for theft were obtained, the Agency would remove the benefit charge from the employer's account and seek restitution from the claimant.
- Underemployment – non separating employers will not be charged for benefits
- Seasonal employer expansion – other than construction (no longer by industry class)
- Mandatory electronic quarterly wage reports would be phased in completely by 2014. Starting on January 1, 2013, all employers with more than 25 employees would be required to file quarterly wage reports electronically with the Agency. By January 1, 2014, all employers with five employees or less would be required to file electronically. By January 2015, all employers would be required to file electronically. A hardship exemption would be available to small businesses for financial or technological reasons.

Unemployment Insurance Legislative Reforms

- Small business (25 employees or less) would be allowed to spread SUTA taxes on a quarterly basis during the calendar year.
- Create an "amnesty program" for employers who agree to reclassify employees from disputed independent contractor status to covered status and adopt the IRS 20-factor test for future determinations. The amnesty program would be in effect until January 1, 2013.
- Create an "amnesty program" for employers who have outstanding balances due to the UIA for tax payments.
- Allow for the administrative garnishment of claimant bank accounts – future payments – when money is owed to UIA.
- Committing UIA fraud would carry penalties equivalent to committing fraud within the Department of Human Services system.
- Extend the Agency's ability to levy penalties for willful violations of the Act to officers and directors and controlling entities.
- Allows Agency to increase fines on employers for continued untimely wage reports.
- Create an employer portal – ombudsman.