

Changes in unemployment insurance legislation in 1997

Minnesota made extensive modifications to its unemployment insurance law; among the States generally, laws were changed to require that uncollected overissuances of food stamp coupons be recouped through deductions from unemployment benefits

Diana Runner

In 1997, Congress enacted two laws that affect the Nation's unemployment compensation program—the Balanced Budget Act of 1997 (P.L. 105–33), and the Taxpayer Relief Act of 1997 (P.L. 105–34). At the State level, enactments addressed such diverse issues as the recoupment of food stamp overpayments, the withholding of Federal income tax from benefit payments, and adjustments to minimum and maximum weekly benefit amounts.

The Balanced Budget Act of 1997:

- Provides that States must authorize that the wage and claim information that they are required to disclose to the U.S. Secretary of Health and Human Services for use in the National Directory of New Hires may be disclosed to the U.S. Department of the Treasury, the Social Security Administration, and State Child Support Enforcement Agencies;
- Provides that an individual's base period is a matter for each State to determine, and is not subject to Federal jurisdiction. This means that States will have complete authority in setting base periods for determining eligibility for benefits. This change came about as the result of a case heard before the U.S. Court of Appeals.
- Effective October 1, 2001, raises the ceiling or maximum balance in the Federal Unemployment Account (FUA)¹ as of the end of any Federal fiscal year (September 30) to 0.5 percent (was 0.25 percent) of the total wages subject to contributions under all State unemployment compensation laws.

- Caps the amount of Reed Act² transfers made with respect to Federal fiscal years ending in 1999, 2000, and 2001 at \$100 million per year. Funds are distributed based on a State's share of administrative funds otherwise allocated for each fiscal year, and can be used only for the administration of the unemployment insurance program.
- Imposes an additional requirement that States meet funding goals established in regulations promulgated by the U.S. Secretary of Labor in order to qualify for interest-free advances from FUA.
- Permits the exclusion from coverage of services performed by: (a) an election official or election worker, if the amount of remuneration received by the individual during the calendar year for such services is less than \$1,000; and (b) an elementary or secondary school that is operated primarily for religious purposes, as described in section 502(c)(3), and that is exempt from tax under section 501(a). Previously, coverage of these services was required. The Act also permits the exclusion from coverage of services performed after January 1, 1994, by persons committed to a penal institution.

The Taxpayer Relief Act of 1997 (P.L. 105–34) extends the 0.2-percent Federal Unemployment Tax Act (FUTA) surtax through 2007; and extends until May 31, 2000, the exclusion of employer-provided educational assistance for undergraduates from the definition of wages for income tax purposes, and thus from FUTA.

Eighteen States³ amended their unemployment insurance laws to require an individual filing a new claim for unemployment compensation to disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's

Diana Runner is an unemployment insurance program specialist in the Division of Legislation, Unemployment Insurance Service, Employment and Training Administration, U.S. Department of Labor.

unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law. However, this provision will apply only if an agreement has been made for reimbursement by the Department of Human Services for administrative costs that are attributable to the repayment of uncollected food stamp overissuances.

Montana, New York, North Dakota, and Rhode Island

amended their laws to establish a system for withholding Federal income tax from unemployment benefits, so that withholding can occur at the option of a claimant.

Alabama, Florida, Georgia, Louisiana, Missouri, and Virginia increased their maximum weekly benefit amounts. In addition, Alabama and Georgia increased their minimum weekly benefit amounts. However, Virginia decreased its minimum weekly benefit amount.

Alabama

Benefits. The minimum weekly benefit amount increased from \$22 to \$45, and the maximum weekly benefit amount increased from \$180 to \$190.

Administration. A State Directory of New Hires was established within the Alabama Department of Industrial Relations. The information in the directory will be cross-matched with individuals having outstanding legal child support obligations. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Arizona

Coverage. The Arizona Employment Security Act was amended to exclude from coverage services performed by an individual or class of individuals who will be, or are, exempt from coverage under the Federal Unemployment Tax Act.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Arkansas

Financing. Regular benefits paid to an eligible individual will not be charged

against the experience rating account of a base-period employer with whom the individual continues in employment (on a part-time basis) should the individual subsequently leave such employment under certain conditions that qualify as a noncharged separation. For the period January 1, 1997, through December 31, 1998, 0.05 percent of the stabilization tax will be deposited and credited to the Employment Security Special Fund.

Benefits. An individual's base period may be extended by up to four quarters if the individual has insufficient wages to establish a claim because of a job-related injury for which he or she received workers' compensation. The employer's experience rating account will not be charged for benefits paid on the basis of the extended base period.

Disqualification. An employee of a temporary help firm will be disqualified from benefits for failure to contact the temporary help firm for reassignment upon completion of an assignment, unless the employee had not been advised of the obligation to do so. An individual will be disqualified from benefits for failure to appear for a drug screening after receiving a job offer that is conditioned on passage of the test, or for testing positive for illegal drugs after receiving an offer of suitable work. The statutory limitation for liability resulting from an overpayment of benefits was increased from 2 years to 4 years.

Administration. The Director of the Arkansas Employment Security Department is authorized to furnish wage and claim information to the State and National New Hire Directories for the purpose of locating individuals to establish paternity and to establish, modify, or enforce child support orders. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected

overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Colorado

Coverage. The term "indian tribes" was removed from the definition of a political subdivision. As a result, such tribes are considered to be rated employers for unemployment insurance purposes, in conformity with Federal law.

Financing. The standard rate of employer contributions was reduced from 2.7 percent to 1.7 percent. Also, the period needed to qualify an employer for experience rating was decreased from 36 months to 12 months. An employer's experience rating account will not be charged for benefits awarded to an individual who separated from a job because of an addiction to drugs or alcohol, and who has been or is being treated for the addiction.

Delaware

Benefits. The definition of partial unemployment changed to a week of less than full-time work if earnings are less than the weekly benefit amount plus the greater of \$10 or 50 percent (was 30 percent) of the weekly benefit amount. Also, the amount of earnings that may be disregarded when partial benefits are computed was changed to the greater of \$10 or 50 percent (was 30 percent) of the weekly benefit amount.

Financing. The provision regarding the supplemental assessment rate was modified to provide for a new or basic assessment rate of 0.5 percent for each employer when

unemployment insurance trust fund balance is greater than or equal to \$215 million. If the fund balance falls below \$215 million, the assessment rate will vary depending on the employer's assigned rate and the actual fund balance. Also, the special assessment rate (blue-collar job training tax) is now to be raised from 0.1 percent to 0.15 percent when the unemployment trust fund is greater than or equal to \$215 million. If the trust fund is less than \$215 million, the special assessment rate applied will revert to 0.1 percent.

Disqualification. The pension reduction provision for claimants receiving Social Security or Railroad Retirement benefits was modified to change the reduction of the weekly benefit amount from 50 percent to 25 percent of the Social Security or Railroad Retirement weekly amount.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law. The Delaware Department of Labor may provide unemployment insurance claim information to any State or local child support enforcement agency for use in establishing paternity or in establishing, modifying, or enforcing child support orders.

Florida

Financing. Employers whose employment records have been chargeable with benefit payments for fewer than eight calendar quarters will pay contributions at an initial rate of 2.0 percent. For calendar year 1998 or any quarter within it, the Florida Department of Labor and Employment Security will subtract 0.5 percent from each employer's assigned tax rate, except in the case of those employers that are assigned the initial rate or a contribution rate of 5.4 percent or higher for more than 36 months.

Benefits. On January 1, 1998, the maximum weekly benefit amount will increase

from \$262 to \$275, with a maximum entitlement of \$7,150; however, for the period January 1, 1998, through June 30, 1998, the maximum weekly benefit amount will be increased by 5 percent, not to exceed \$288, with a maximum entitlement of \$7,254.

Georgia

Financing. When the statewide reserve ratio is 2.4 percent or more for any calendar year, an employer who does not have a deficit reserve balance will have its contribution rate reduced by 25 percent or 50 percent, depending on the reserve ratio. When the statewide reserve ratio is less than 2.1 percent, an employer's contribution rate will be increased by 25 percent or 50 percent, depending on the reserve ratio. If the statewide reserve ratio equals or exceeds 2.1 percent, contribution rates will be reduced by a percentage based on the fund balance and the prior year's contributions. However, the contribution rate may not be reduced below 5.4 percent for maximum deficit reserve accounts.

Benefits. The minimum weekly benefit amount increased from \$37 to \$39, and the maximum weekly benefit amount went from \$215 to \$224. The weekly benefit amount is now computed as 1/48 of earnings in the two highest quarters of the applicant's base period. The alternative weekly benefit amount computation changed from 1/25 to 1/24 of high-quarter wages for individuals who fail to establish entitlement because they do not meet the requirement that base-period wages equal 150 percent of high-quarter wages.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law. This provision will be repealed on July 1, 2000, if funds have not been specifically appropriated.

Hawaii

Financing. The employment and training fund assessment of 0.05 percent of taxable wages has been suspended for the period July 1, 1997, through December 31, 1998. The tax is applicable to all employers except reimbursable employers and those with zero or 5.4-percent contribution rates. This assessment was initially scheduled to be in effect for the entire period January 1992 through December 2000.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Idaho

Coverage. The Idaho Employment Security Law was amended to exclude from coverage services performed by a member of an AmeriCorps program.

Disqualification. The amount of wages that needs to be earned to purge a disqualification for voluntarily leaving work to perform marital duties or without good cause, for discharge for misconduct, or for failure to apply for or be available for suitable work was changed from 16 to 12 times the weekly benefit amount.

Illinois

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law. The Director of the Illinois Department of Employment Security must establish and operate an automated Illinois Directory of New Hires, which will be used to locate an

absent parent; to establish paternity; or to establish, modify, or enforce child support.

Iowa

Financing. An employer may provide, as part of the shared work program, a training program in which employees may participate during the hours that have been reduced. An employer will be relieved of charges for benefits paid to an individual attending such training if the employer can show that the training program will provide a substantive increase in the workplace skills and employability of the employee, and thus reduce the potential for future periods of unemployment.

Disqualification. An employee of a temporary help firm will be disqualified from benefits for failure to contact the temporary help firm for reassignment upon completion of an assignment, unless the employee had not been advised of the obligation to do so.

Administration. An individual's weekly benefit amount may be offset by the amount of any overissuance of food stamp benefits. However, this provision will apply only if there is an agreement whereby the Department of Human Services will reimburse administrative costs that are attributable to the repayment of uncollected food stamp overissuances.

Kansas

Coverage. A new enactment excludes from coverage services performed by an individual as a direct seller, if certain conditions are met.

Financing. For rate year 1998, new employers will contribute at a rate of 1.0 percent of taxable wages. However, the 1.0-percent contribution rate will not be effective if the reserve fund ratio in schedule III is less than 2.0 percent, in which case the rate will be 1.0 percent plus the greater of the average rate assigned in the preceding calendar year to all employers in the pertinent industry division, or the average rate assigned to all covered employers during the preceding calendar year, but not more than 2.0 percent. The contribution rate for negative account balance employers will range

from 1.1 percent to 6.0 percent; formerly, a uniform 5.4-percent rate was applied. Negative account balance employers will not be assessed the surcharge that is based on the size of the employer's negative reserve ratio.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Louisiana

Financing. Employers may make contributions for domestic workers on an annual basis, if certain conditions are met. Beginning January 1, 1998, the contribution rate for experience-rated employers will range from 0.20 percent to 6.0 percent or from 0.3 percent to 6.0 percent of covered payrolls, depending on the balance in the State unemployment trust fund. The Worker Development Training Account was established in the Employment Security Administration Fund and will consist of moneys appropriated from the social charge account. The money in this account will be used to fund customized training for the benefit of businesses operating in Louisiana. Also, the Employment Security Administration Account was created using money from the social charge account to supplement funding of personnel costs associated with specific unemployment insurance functions of the Louisiana Department of Labor. The penalty surcharge on negative-balance employers was repealed.

Benefits. On January 1, 1998, the maximum weekly benefit amount will increase from \$205 to \$215. However, the maximum weekly benefit amount can range from \$181 to \$215, depending on the trust fund balance.

Disqualification. The 50-percent reduction of benefits upon requalification following a voluntary quit disqualification or a discharge for misconduct disqualification was

repealed. An individual will not be disqualified from receiving benefits if his or her unemployment is due to a labor lock-out.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Maine

Financing. The additional contribution rate of 0.4 percent assessed on experience-rated employers, which was due to expire in 1997, was extended through 1998. For calendar year 1998, employer contribution rates will range from 2.4 percent to 7.5 percent.

Benefits. For the period September 28, 1997, to September 26, 1998, the maximum weekly benefit amount will be limited to 94 percent of the amount otherwise calculated. In addition, for claims filed before January 1, 1999 (was January 1, 1998), the weekly benefit amount will be reduced by \$3.

Disqualification. The disqualification from benefits for claimants who are locked out by an employer was eliminated. The Maine Employment Security Law was amended to provide that an individual's lottery winnings may, under certain terms and conditions, be used to offset benefit overpayments.

Maryland

Coverage. A new enactment excludes from coverage services performed by an individual engaged in the trade or business of delivering newspapers or shopping news, including any services directly related to the delivery or distribution of newspapers or shopping news, if the individual qualifies as a direct seller under the Maryland Unemployment Insurance Law.

Massachusetts

Financing. For calendar year 1998, basic contribution rates for positive-balance employers will range from 1.8 percent to 4.7 percent. Rates for negative-balance employers will range from 4.9 percent to 7.7 percent.

Michigan

Benefits. The date scheduled for the conversion of the State unemployment insurance program to a wage record system was changed from July 1, 1997, to December 31, 2001.

Minnesota

Coverage. A worker doing commercial or residential building construction or improvement in the public or private sector, performing services in the course of the trade, business, profession, or occupation of the employing unit, will be considered an employee, and not an independent contractor. However, the individual will be considered an independent contractor if certain other conditions are met.

Financing. For the period July 1, 1997, through July 1, 1999, benefits paid to certain welfare recipients will be noncharged to the unemployment insurance account. The period needed for an employer to qualify for experience rating increased from 12 months to 15 months. The provision that wages, as defined for purposes of the unemployment insurance program, include remuneration in excess of \$7,000 if subject to the Federal Unemployment Tax Act was deleted. The Minnesota Employment Security Law was amended to delete the voluntary contribution provision whereby an employer could obtain a cancellation of benefits charged to its account without being subject to a 25-percent surcharge when (1) all or a part of the benefits charged to its account were for the unemployment of 75 percent of the employees in its employ and, (2) the unemployment was caused by closure of the business, by the condemnation of property, by a governmental agency due to a natural disaster, or by damages by fire, flood, or act of God. Employers may be charged for benefits paid to an employee

who left or partially lost employment because of a strike or other labor dispute.

Benefits. To qualify for benefits, an individual must earn 1-1/4 times the wages earned in the high quarter of his or her base period, and have earned at least \$1,000 in the high quarter. The 15-week employment requirement for benefit eligibility was deleted. To qualify for benefits in a second benefit year, an individual must have earned 8 times the weekly benefit amount in the preceding benefit year.

Disqualification. The disqualification period for voluntary leaving, discharge for misconduct, and refusal of suitable work was changed from the duration of unemployment or until the individual has 4 weeks of work and earns wages equal to 8 times the weekly benefit amount to the duration of unemployment or until the individual returns to work and earns 8 times the weekly benefit amount. The gross misconduct disqualification was changed from the duration of unemployment or until the individual has 4 weeks of work and earns wages equal to 4 times the weekly benefit amount to the duration of unemployment or until the individual returns to work and earns 12 times the weekly benefit amount. The penalty for fraudulent misrepresentation to prevent the payment of or reduce benefits was amended to specify that if the benefit overpayment exceeds \$500 (was \$250), the individual will be guilty of a felony. The statutory limitation for recovering benefit overpayments as a result of fraud was increased from 6 years to 10 years. Also, the Commissioner of the Minnesota Department of Economic Security may assess interest on fraudulently received benefits at a rate of 1.5 percent per month on the overpaid amount that is outstanding 30 calendar days after the determination of fraud. An individual will not be eligible for benefits during any week of unemployment in which he or she: (1) is incarcerated, in which case the weekly benefit amount will be reduced by 1/5 for each day of incarceration; (2) is on a voluntary leave of absence; or (3) is performing services on a full-time basis, in covered employment, noncovered employment, self-employment, or volunteer work, regardless of the amount of any earnings. The deductible earnings provision was amended to provide that if a claimant, in any week, has

earnings (including holiday pay) from covered employment, noncovered employment, self-employment, or volunteer work that are equal to or in excess of the claimant's weekly benefit amount, the individual will be ineligible for benefits for that week. However, if the earnings are less than the individual's weekly benefit amount, that amount in excess of \$50, if the earnings were \$200 or less, or that amount in excess of 25 percent of the earnings, if those earnings were more than \$200, will be deducted from the individual's weekly benefit amount. The law was amended to define good cause for quitting that is attributable to the employer as a reason that is directly related to the employment and for which the employer is responsible, and that is significant and would compel the average reasonable worker to quit. Also, misconduct is defined as intentional conduct showing a disregard of: (1) the employer's interest; (2) the standards of behavior that an employer has the right to expect of an employee; or (3) the employee's duties and obligations to the employer. Misconduct also includes negligent conduct by any employee demonstrating a substantial lack of concern for the employment.

Missouri

Financing. The taxable wage base will increase to \$8,500 on January 1, 1998. Beginning January 1, 1999, the taxable wage base will be determined by the balance of the unemployment trust fund on the preceding September 30, less any outstanding Federal Title XII advances. When the September 30 trust fund balance is less than or equal to \$300 million, the taxable wage base will increase by \$500. When it is \$450 million or more, the taxable wage base for the subsequent year will be decreased by \$500. In no event will the taxable wage base increase beyond \$10,000, or decrease to less than \$7,000.

Benefits. Beginning January 1, 1998, the weekly benefit amount will be calculated as 4.0 percent of total wages in the high quarter of the claimant's base period. On January 1, 1998, the maximum weekly benefit amount will increase from \$175 to \$205; effective January 1, 1999, it becomes \$220; effective January 1, 2000, it becomes

\$235; and effective January 1, 2001, it becomes \$250.

Disqualification. The definition of a stoppage of work will not apply to a strike if the employees in the bargaining unit who initiated the strike are participating in the strike. These employees will not be eligible for waiting week credit or benefits during the period in which the strike is in effect, regardless of diminution, unless the employer has been found guilty of an unfair labor practice by the National Labor Relations Board or a Federal court of law for an act or actions preceding or during the strike. A basis for discharge for misconduct will include a pattern of absenteeism or tardiness, regardless of whether the last incident alone, which resulted in the discharge, constituted misconduct.

Montana

Coverage. A new enactment excludes from coverage services performed by an alien (H2-A worker) admitted to the United States to perform agricultural labor.

Disqualification. An individual who accepts temporary work as a result of being unemployed and then goes back to work for his or her regular employer may not be disqualified if the individual is subsequently unemployed for nondisqualifying reasons.

Administration. Individuals may elect to have Federal income tax withheld from their unemployment benefits. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Nevada

Financing. An employer's experience rating account will not be charged for benefits paid to a claimant who leaves the employer to take other employment and who then leaves or is discharged by the later employer.

Nebraska

Coverage. The Nebraska Employment Se-

curity Law was amended to exclude from coverage services performed by an individual who is a participant of AmeriCorps. Also, services performed by an individual as a direct seller are excluded from coverage, if certain conditions are met.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual determined through agreement with the Food Stamp Agency, or as otherwise required under law.

New Hampshire

Disqualification. The penalty for fraudulent misrepresentation for attempting to induce any individual to waive benefits was changed from a misdemeanor, if committed by an individual, or a felony, if committed by any other person, to a class A felony if the amount of contributions involved is \$1,000 or more; a class B felony if the amount of contributions involved \$500 to \$1,000; or a class A misdemeanor in all other classes.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

New Jersey

Financing. For benefit years beginning after January 1, 1998, an employer's experience rating account will not be charged for benefits paid to an individual who was disqualified for voluntary leaving, discharge for misconduct, refusal of suitable work, receiving benefits from another State, illegal receipt of benefits, and training approved under the Trade Act of 1974.

New York

Administration. Individuals may elect to have Federal income tax withheld from

their unemployment benefits.

North Carolina

Coverage. The definition of "employment" was modified to permanently exclude from coverage certain services performed by H2-A (agricultural) workers.

Financing. In cases of a reduced employer contribution rate, an employer's account is considered chargeable with benefits for at least 12 calendar months if the employer has reported wages paid in four completed calendar quarters.

Benefits. To qualify for benefits, an individual must earn 6 times the State average weekly wage, and have earned wages in at least two quarters of his or her base period. An individual is no longer required to have wages equal to 1-1/2 times the average weekly insured wage in the high quarter of the base period. A new enactment adds an alternate base period, consisting of the last four completed calendar quarters, for a claimant who lacks sufficient current base-period wages to establish a benefit year. The above provisions will expire September 1, 2001.

Disqualification. An individual must report to the employment office every 3 to 6 weeks to permit program administrators to determine his or her continuing eligibility for benefits.

North Dakota

Financing. For the period January 1, 1998, to December 31, 2000, an employer engaged in highway and street construction will be assigned the greater of the maximum contribution rate or 8.5 percent for any year in which the benefits charged to the employer's account are equal to or exceed the contributions paid on or before October 31.

Benefits. Until December 31, 1999, a separate benefit duration table will be added for individuals whose base period wages were paid by highway and street construction employers, using the weighted ratios range of 1.50 to 3.18.

Administration. Individuals may elect to

have Federal income tax withheld from their unemployment benefits.

Ohio

Administration. Claim information provided to State and local child support agencies for child support enforcement may only be used for the purposes of establishing paternity, or in establishing, modifying, or enforcing child support obligations. For claims filed after December 27, 1997, the amount withheld from unemployment benefits for child support obligations will not exceed 50 percent of the individual's weekly benefit amount.

Oklahoma

Coverage. A new enactment excludes from coverage services performed by an individual as a direct seller engaged in the trade or business of delivering newspapers or shopping news, including any services directly rated to such trade or business, if certain conditions are met.

Benefits. An individual who lacks sufficient base-period wages because of a job-related injury for which workers' compensation was received may substitute an extended base period of up to four quarters prior to the current base period. The extended base period is substituted for the current base period on a quarter-by-quarter basis, as needed to establish a valid claim.

Oregon

Financing. A new enactment established a special fund, to be known as the Employment Department Special Fraud Control Fund, which will consist of all interest collected on fraudulently received benefits and all gifts to, interest on, or profits earned by, the fund. The fund will be used to pay for administrative costs associated with the prevention, discovery, and collection of benefit overpayments.

Disqualification. An individual will be disqualified from benefits if he or she was discharged or suspended for being absent or tardy in reporting to work as a result of the unlawful use of a controlled substance, unless the individual was participating in a recognized drug rehabilitation program at the time of the absence or tardiness, or is so

participating within 10 days of the date of the discharge or suspension, and provides documentation of program participation. An individual will be disqualified from benefits if he or she was discharged or suspended for being absent or tardy in reporting to work as a result of the use of alcohol on a second or any subsequent occasion within a period of 12 months, unless the individual was participating in an alcohol rehabilitation program at the time of the absence or tardiness, or is so participating within 10 days of the date of discharge or suspension, and provides documentation of program participation.

Any benefits fraudulently received by an individual may be collected by the State in a civil action, and will bear interest at the rate of 1.0 percent per month beginning on the first day of the first month beginning 60 days after the decision that established the overpayment becomes final. The interest received will be deposited in the Employment Department Special Fraud Control Fund. The director may waive, reduce, or compromise any part or all of the interest charged on fraudulently received benefits if it is in the best interests of the department. In making the determination that interest is uncollectible, the director shall consider, among other factors: (1) the administrative costs of continued collection efforts in relation to the amount due; (2) the accessibility of the debtor for collection actions; (3) the debtor's financial condition and ability to pay the amount due, both current and projected.

Administration. The name of the State Advisory Council on Unemployment Compensation was changed to the Employment Department Advisory Council. An individual may elect to have State income tax withheld from his or her unemployment benefits.

Rhode Island

Financing. The last separating employer will be charged for benefits paid to an individual who voluntarily leaves work, is discharged for misconduct, or refuses an offer of suitable work and then becomes unemployed from a subsequent employer.

Benefits. For benefit purposes, the definition of a dependent will include an individual who has been appointed the le-

gal guardian of a disabled child by the appropriate court.

Disqualification. Individuals who leave work voluntarily without good cause, have been discharged for misconduct, or have failed without good cause to apply for or accept suitable work must have at least 8 weeks (was 4 weeks) of work and earnings of at least 20 times the minimum hourly wage within those weeks to be eligible for benefits. An employee of a temporary help firm will be disqualified from benefits for failure to contact the temporary help firm for reassignment upon completion of an assignment, unless the employee had not been advised of the obligation to do so.

Administration. Individuals may elect to have Federal income tax withheld from their unemployment benefits.

Tennessee

Coverage. A new enactment excludes from coverage services performed by an individual as a direct seller, if certain conditions are met.

Benefits. The amount of earnings that is disregarded when partial benefits are computed was changed from \$30 to the greater of \$50 or 25 percent of the individual's weekly benefit amount.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law. Information provided to State and local child support agencies for the enforcement, collection, and establishment of child support obligations may be provided to agents as long as the information is limited to the individuals who are child support obligors or who are sought for establishing paternity. The information may be used only for the purpose of establishing and collecting child support obligations, locating child support obligors, and establishing paternity, and must be kept confidential.

Texas

Financing. Contributing employers may elect to make a voluntary payment of contributions. The amount of the voluntary contribution may be equal to all or part of the employer's chargebacks that are used in computing the employer's experience rate for the succeeding calendar year.

Disqualification. An individual whose work hours are reduced by the employer for misconduct in connection with the work will be disqualified from benefits for a maximum of 4 weeks from the date on which work hours were reduced, for claims filed on or after September 1, 1997.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Utah

Administration. The unemployment insurance program will be administered by the Division of Workforce Information and Payment Services, rather than the Division of Employment Development. Members of the appeals board will no longer be required to serve on the advisory council.

Virginia

Coverage. A new enactment excludes from coverage services performed by an individual as a direct seller engaged in the trade or business of delivering newspapers or shopping news, including any services directly rated to such trade or business, if certain conditions are met.

Financing. The new-employer contribution rate of 2.5 percent was extended from January 1, 1998, to January 2, 2002. An employer will not be charged for benefits paid to an individual whom he or she employed for less than 30 days or less than 240 hours.

Benefits. On July 6, 1997, the minimum

weekly benefit amount decreased from \$65 to \$60; effective July 5, 1998, it will decrease to \$55; and, effective July 4, 1999, it will fall to \$50. The maximum weekly benefit amount increased on July 6, 1997, from \$224 to \$226, and will increase to \$228 on July 1, 1998; to \$230 on July 4, 1999; and to \$232 on July 2, 2000. An individual may not receive benefits in a benefit year unless, subsequent to the beginning of the last benefit year during which he or she received benefits, the individual performed services for remuneration for at least 30 days or for at least 240 hours.

Disqualification. The duration disqualification for voluntary leaving, discharge for misconduct, and refusal of suitable work was changed to require at least 30 days or 240 hours of work in order to requalify for benefits.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law. The Virginia Employment Commission is required, on a reimbursable basis, to furnish wage and claim information obtained in its records to the U.S. Secretary of Health and Human Services and the Division of Child Support Enforcement of the Department of Social Services for their use as necessary for the purposes of the National Directory of New Hires.

West Virginia

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Wisconsin

Administration. The name of the unemployment insurance agency was changed

from the Department of Industry, Labor, and Job Development to the Department of Workforce Development.

Wyoming

Financing. A special reserve fund rate contribution will be added to each contributing employer's contribution rate to: (1) fund work force development programs; (2) provide work force development programs designed to train, retrain, or upgrade work skills for current Wyoming workers; and (3) provide training for skills necessary for specific economic development initiatives. The special reserve fund rate will apply in any calendar year during which the balance in the State unemployment insurance trust fund is less than 1.0 percent of total wages. For any year in which a special reserve contribution rate is imposed, the base rate assigned to any employer or any rate variation assigned under the adjustment factor provisions will be reduced by 20 percent.

Administration. An individual filing a new claim for unemployment compensation must disclose whether he or she owes an uncollected overissuance of food stamp coupons. If so, repayment will be made through deductions from the individual's unemployment insurance benefits, in an amount specified by the individual, determined through agreement with the Food Stamp Agency, or as otherwise required under law.

Footnotes

¹ The FUA account is an account in the Unemployment Trust Fund (UTF) used to provide interest-bearing loans to States whose benefit accounts in the UTF are exhausted, enabling them to continue to pay unemployment benefits to eligible unemployed individuals.

² Reed Act transfers are funds that, under this special provision, will allocate excess funds from the unemployment trust fund to a State to pay expenses incurred by the State for the administration of its unemployment compensation law.

³ Alabama, Arizona, Arkansas, Delaware, Georgia, Hawaii, Illinois, Iowa, Kansas, Louisiana, Montana, Nebraska, New Hampshire, Tennessee, Texas, Virginia, West Virginia, and Wyoming.