

Changes in State unemployment insurance legislation in 1995

Michigan and Oregon made extensive modifications to their laws; among the States generally, changes requiring claimants to participate in reemployment services were predominant

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Nineteen¹ States amended their unemployment insurance laws to require that, as a condition of eligibility for benefits, an individual must participate in reemployment services, such as job search assistance, if he or she is determined through a profiling system to be likely to exhaust regular benefits. The profiling system is designed to assist individuals in making a successful transition to new employment.

Delaware, Maryland, Michigan, Minnesota, and Oregon established self-employment assistance programs, in which selected claimants may continue to receive periodic unemployment payments while engaged full time in establishing a

business and becoming self-employed. Arkansas, Louisiana, Nevada, Ohio, Oklahoma, Oregon, and Texas amended their laws to have Federal income taxes withheld from unemployment benefits at the option of the claimant, beginning January 1, 1997. Colorado, Connecticut, Georgia, Kansas, Michigan, Nebraska, and Oklahoma added a disqualification for an employee of a temporary help firm 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.

Following is a summary of some significant changes.

Alabama

Financing. The special tax assessment of 0.06 percent applicable to contributing employers was extended until March 31, 2002. The rate reduction of 0.06 percent applicable to regular contributions was extended for the same period. The reduced rates for regular contributions range from 0.14 percent to 6.74 percent.

Disqualification. Benefits will not be reduced if an individual is receiving a pension, retirement or retired pay, or other similar periodic payment under the provisions of Social Security or the Railroad Retirement Act.

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Administration. An individual has 30 days (was 10 days) to appeal a board of appeals decision to the Alabama Circuit Court. Benefit overpayments may be collected through a reciprocal agreement with other State agencies or the Federal Government by deduction from unemployment benefit payments made under any Federal unemployment insurance program and under the State interstate program.

Alaska

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

Arizona

Administration. The Arizona Employment Security Act was amended to specify that findings of fact or law, judgments, conclusions, or final

orders made under the act will not be binding in any other venue, and may not be used as evidence in any other action or proceeding, regardless of whether the prior action was between the same parties and involved the same facts.

Arkansas

Financing. Benefits paid to an individual who continues to remain in the base-period employer's employ without a reduction in wages or hours worked will not be charged to that employer if the individual is not employed on an as-needed or on-call basis.

Disqualification. To be eligible for benefits, an individual must participate in reemployment activities such as job search assistance services if he or she is identified through a profiling system as likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Administration. Beginning January 1, 1997, individuals may elect to have Federal income taxes deducted and withheld from their unemployment benefits.

California

Financing. A new enactment extends the special contribution paid by employers to the Employment Training fund to January 1, 2002. An employer's experience rating account, which reflects the employer's experience with unemployment, will not be charged for benefits paid to an individual who left the employer's employ to take a substantially better job.

Penalties. The California Unemployment Insurance Code considers it a misdemeanor if an individual (claimant or employer) uses a false name, false Social Security number, or other false identification to obtain, increase, reduce, or defeat the payment of any benefits.

Colorado

Benefits. Remuneration received for duty in a branch of the U.S. Military Reserves or in the National Guard will not be considered wages for monetary eligibility purposes if the duty is served during a period that does not exceed 72 hours during any 1-month period. Remuneration received for the required 2-week duty training also is excluded from wages.

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. To be eligible for benefits, an employee who was separated from employment for health reasons must refrain from working for a period that exceeds the greater of that specified under the employer's medical leave of absence policy or that mandated by the provisions of the Federal Family and Medical Leave Act of 1993. Also, the employee must have notified the employer, in writing, of the health condition before separation, to allow the employer the opportunity to make reasonable accommodation for the worker's condition. However, if the employee was precluded, in the event of an injury or sudden illness, from notifying the employer of a health problem prior to the occurrence, he or she must notify the employer within 2 working days following the occurrence, unless the employee's physician provides substantiating evidence that the worker's condition made giving such notice impracticable.

Connecticut

Benefits. Beginning April 1, 1996, the weekly benefit amount for covered construction workers only will be computed as 1/26 of wages in the high quarter of the worker's base period, but not less than \$15 or more than the maximum allowed by law.

Disqualification. Good cause for voluntarily leaving employment will be restricted to that attributable to the employer; good cause does not

include good personal cause. New legislation redefines willful misconduct as deliberate misconduct in willful disregard of the employer's interest, or a single knowing violation of a reasonable and uniformly enforced rule or policy of the employer, when reasonably applied, provided the violation is not a result of the employee's incompetence. In the case of absence from work, willful misconduct will mean that an employee must be absent without notice on three separate instances within an 18-month period. An employee of a temporary help service will be disqualified from benefits for refusal, upon completion of an assignment, to accept suitable work when it is offered by the service. The disqualification will apply until the individual returns to work and earns 6 times the State weekly benefit amount. A disqualification will apply if an individual is discharged or suspended because he or she has been disqualified under State or Federal law from performing work for which he or she was hired, as a result of a drug or alcohol testing program mandated and conducted by such law.

If the benefit offset for recoupment of benefit overpayments, including fraudulently received benefits, is insufficient, the individual may repay the remaining amount according to a repayment schedule. If the individual fails to abide by the repayment schedule, the overpayment may be recovered through a wage execution against the individual's earnings when he or she returns to work. An individual will forfeit all future benefits until the fraudulently received benefits and any associated liabilities have been met. The statutory period for recoupment of overpayments, including fraudulently received benefits, is 8 years.

Administration. Appeals may be conducted by telephone or by other electronic means.

Delaware

Coverage. The coverage exclusion for services performed by corporate officers is not applicable under the following circumstances: when one-half or more of the ownership interest is owned or controlled directly or indirectly by the individual's spouse, child, or parent (if the individual is under 18); when one-fourth or more of the ownership interest is owned or controlled directly or indirectly by the individual; or when no more than four officers of a corporation request exemption from coverage.

Financing. If the balance in the State unemployment insurance trust fund is equal to or greater than \$200 million, an employer's basic rate of assessment will be increased by a supplemental assessment rate of 0.7 percent. If the trust fund balance is less than \$200 million, the supplemental assessment rate could range from 0.9 to 2.5 percent, depending on the fund balance.

Benefits. The maximum weekly benefit amount is increased from \$265 to \$300. However, if the unemployment trust fund balance is less than \$200 million but greater than \$165 million, the maximum weekly benefit amount may not exceed \$265; when the balance is less than \$165 million

but equal to or greater than \$150 million, the maximum may not exceed \$245; when the balance is less than \$150 million but equal to or greater than \$90 million, the maximum weekly benefit amount may not exceed \$225; and when the balance is less than \$90 million, the maximum weekly benefit amount may not exceed \$205. A temporary self-employment assistance program was established, to last until December 5, 1998, for individuals who meet the eligibility requirements to receive, in lieu of regular benefits, an allowance that will assist them in establishing a business and becoming self-employed.

Georgia

Financing. The additional assessment of 0.06 percent on taxable wages to cover administrative costs was extended through June 30, 2001. A new enactment permits, by regulation, contributions from employers of domestics, to be paid on an annual basis. Also, employers of domestics may, by regulation, file tax reports and pay contributions on an annual, rather than on a quarterly, basis, in accordance with Federal law.

A successor employer who acquires all of the predecessor's business will be assigned the new employer rate of 2.64 percent if the existing rate of the predecessor exceeds the rate of contribution for new employers. If the successor was a covered employer at the time of acquisition, the contribution rate of the successor will be determined by combining the experience ratings of the predecessor and successor unless the predecessor's contribution rate exceeds that of the successor, in which case the predecessor's experience rating will not be included in the calculation.

An employer's experience rating account will not be charged with benefits paid as a result of a major natural disaster. Voluntary contribution will be permitted, but will not be used when computing reduced rates unless they are paid within 30 days of notification by the employer that such payments will be made.

Idaho

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Indiana

Financing. Benefits paid to an individual who voluntarily left work to join a spouse in another labor market will not be charged to the experience rating account of the individual's former employer.

Benefits. An individual's weekly benefit amount will be computed as 5 percent of the first \$1,750 in wage credits earned in the high quarter of his or her base period, and 4 percent of the remaining wage credits earned in the high quarter. The limitation of wage credits used in computing du-

ration of benefits is increased to \$5,000 and will rise to \$5,200 on July 1, 1997. To qualify for benefits, and individual needs wages of 1-1/4 times the high-quarter earnings in his or her base period, \$1,650 in the last two quarters, and \$2,750 in total base-period wages. To qualify for benefits in a second benefit year, an individual must earn his or her weekly benefit amount in each of 8 weeks.

Disqualification. An individual will not be disqualified for voluntarily leaving employment to join a spouse who has moved to another labor market. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Administration. The Indiana Employment and Training Services Act was amended to specify that findings of fact or law, judgments, conclusions, or final orders made under the act will not be binding in any other venue, and may not be used as evidence in any other action or proceeding, regardless of whether the prior action was between the same parties or involved the same facts. The agency that administers the act will be known as the Department of Workforce Development, headed by a commissioner.

Iowa

Financing. Reimbursing employers are no longer charged for benefits paid to an individual who was disqualified for voluntary leaving, discharge for misconduct, or refusal of suitable work. Also, benefits may be noncharged to a reimbursing employer for individuals who voluntarily leave to accept other employment, for individuals whose benefit eligibility is reversed due to an appeal, and for benefit overpayments.

Administration. The Iowa Employment Security Law was amended to repeal the provision allowing health premiums to be deducted from unemployment benefits in accordance with a program of health insurance or health care coverage under a group policy or contract provided by an underwriter.

Kansas

Financing. For rate years 1995 and 1996, the new-employer contribution rate will be 1.0 percent. However, for rate year 1996, the 1.0-percent rate will apply only if the reserve fund in schedule III is less than 2.0 percent of covered payroll.

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

An individual will be disqualified from benefits for failure to contact an employer for reassignment, as required by an employer agreement, upon completion of a temporary assignment.

Administration. The Kansas Employment Security Law was amended to specify that findings of fact or law, judgments, conclusions, or final orders made under the law will not be binding in any other venue, and may not be used as evidence in any other action or proceeding, regardless of whether the prior action was between the same parties or involved the same facts.

Louisiana

Financing. The "Volpi Act" establishes a method of determining the maximum dollar amount of covered wages, maximum weekly benefit amount, and the formula for computation of benefits for the next calendar year. Under the act, the taxable wage base would be \$7,000, \$7,700, or \$8,500, depending on the State's trust fund balance and other factors.

Benefits. The maximum weekly benefit amount, with or without current applicable discounts, also will be affected by the new trust fund balance rules, and may be \$181, \$193, or \$205. Other weekly benefit amounts will be similarly affected. A new enactment specifies that an individual may elect to withhold Federal income tax from his or her benefits. Deductions and withholding will be applied by an amount equal to 15 percent of such benefit payments.

Maine

Financing. In addition to their assigned contribution, employers will be assessed a tax of 0.4 percent of the wages paid during years 1995 through 1997.

Benefits. The State extended benefit program for dislocated workers who participate in retraining programs, which was due to expire on March 31, 1995, has become permanent. The temporary base period, consisting of the last four completed calendar quarters, used to establish a benefit year was made permanent. For the period October 29, 1995, to May 31, 1997, the maximum weekly benefit amount will be limited to 94 percent of the amount otherwise calculated. In addition, for individuals filing claims on and after April 1, 1995, and before January 1, 1998, the weekly benefit amount will be reduced by \$3.

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Maryland

Financing. No new employer's account will be

charged for benefits paid to an individual who was discharged for aggravated misconduct.

Benefits. The maximum weekly benefit amount was increased from \$223 to \$250. A temporary self-employment assistance program was established, to last until June 1, 1999, for individuals who meet the eligibility requirements to receive, in lieu of regular benefits, an allowance that will assist them in establishing a business and becoming self-employed.

Disqualification. An individual who voluntarily quits part-time employment and then becomes unemployed from full-time employment will not be disqualified from benefits relating to the full-time employment.

Michigan

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

Benefits. The indexing of the maximum weekly benefit amount as a percentage of the State average weekly wage was eliminated. Beginning January 1, 1996, the maximum weekly benefit will be computed as 67 percent of after-tax earnings, up to a maximum of \$300. An individual's partial weekly benefit amount will be reduced by 50 cents for each \$1 earned in employment or received in benefits. Also, total weekly benefits and earnings, combined, will be limited to 1-1/2 times the benefit amount and an equal reduction of benefits for each \$1 earned. If the reduction in a claimant's weekly benefit rate results in a benefit amount greater than 0, the claimant's balance of weeks of benefit payments will be reduced by 1 week. The partial benefits formula was amended to delete the provision that a full weekly benefit amount would be paid if earnings in other employment are less than one-half of the weekly benefit, and that one-half the weekly benefit amount would be paid if wages are one-half the weekly benefit or more but less than the weekly benefit.

The conversion to a wage record system for establishing unemployment claims was postponed from January 1, 1997, to July 1, 1997. The following will become effective July 1, 1997: (1) an individual's weekly benefit amount will be computed as 4.1 percent of wages earned in the high quarter of the individual's base period, plus \$6 for each dependent, up to a maximum of 5 dependents; (2) an individual will need to have earned at least the State minimum hourly wage multiplied by 388.06 in at least one quarter of the base period in order to establish a benefit year; (3) a seasonal employment provision and requirements for the receipt of benefits are added.

To qualify for benefits on the basis of seasonal employment, an individual must have earned some seasonal wages in the operating period of a seasonal industry other than the construction industry. For the period January 1, 1996, through June 30, 1997, an individual must earn wages equal to or greater than 30 times the State minimum hourly wage to be eligible for benefits,

rather than 20 times as previously required. A new amendment deletes the provision that limited the maximum weekly benefit amount to 55 percent of the State average weekly wage for the period January 4, 1998, through January 1, 1999.

Disqualification. An employee of a temporary services firm will be disqualified from benefits for failure to contact the temporary services firm for reassignment upon completion of an assignment, unless the employee had not been advised of the obligation to do so. If an individual unemployed for 1 to 12 weeks refuses an offer of suitable work, he or she will be denied benefits if the wages that would have been earned are at least 80 percent of pre-employment earnings. If an individual is unemployed for 13 to 20 weeks or for 21 weeks or more and refuses suitable work, he or she will be denied benefits if the wages for that week are at least 75 percent or 70 percent, respectively, of the pre-employment earnings. An individual will be disqualified for committing illegal acts with drugs on employer premises, refusing to submit to drug testing, or testing positive for drugs. Beginning July 1, 1997, an individual must earn 1-1/13 of the minimum amount needed in a calendar quarter of the base period to qualify for benefits after being disqualified. Benefit overpayments and fraudulently received benefits may be recovered through deductions from an individual's State tax refund. Benefits will not be paid to a school crossing guard between terms if the individual has a reasonable assurance that he or she will perform the services in the next academic year or term.

Minnesota

Coverage. An employer is any employing unit that has one or more individuals performing services, for whom wages were paid within either the current or preceding calendar year.

Benefits. A self-employment assistance program was established for individuals who meet the eligibility requirements to receive, in lieu of regular benefits, an allowance that will assist them in establishing a business and becoming self-employed. However, the program will not apply if it is not authorized under Federal unemployment insurance law.

Administration. The first-stage appeals body is changed from a referee to a reemployment insurance judge.

Mississippi

Financing. The maximum employer contribution rate when the reserve ratio (total benefits/total taxable payrolls) in the State unemployment insurance fund is less than 4 percent was changed from 6.4 percent to 5.4 percent.

Benefits. The maximum weekly benefit amount was increased from \$165 to \$180.

Disqualification. An individual must participate in reemployment services unless he or she has

already completed such services or there is justifiable cause for failure to participate in the services.

Missouri

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Administration. The period during which an individual may appeal the decision of an industrial commission on a claim for benefits was increased from 10 days to 20 days. The judicial court in which industrial commission decisions are appealed was changed to the appellate court in the area in which the claimant resides, and the court of appeals for the western district will have jurisdiction of the appeals for individuals who are not residents of Missouri. The State Advisory Council on Employment Security was abolished.

Montana

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

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Administration. Appeal hearings may be conducted by telephone or by video conference.

Nebraska

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. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Nevada

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifi-

able cause for failure to participate in the services.

Administration. An individual may elect to have Federal income taxes deducted and withheld from his or her benefits beginning January 1, 1997.

New Hampshire

Benefits. The maximum weekly benefit amount increased from \$204 to \$216, and on March 31, 1996, it will rise to \$228. When the maximum weekly amount of partial unemployment benefits is calculated, 30 percent of an individual's earnings in other employment will be disregarded.

Disqualification. A new enactment removed self-employment (regardless of time or effort involved) as a disqualification.

Administration. A new enactment increased from seven to nine the total number of members on the State Advisory Council on Unemployment Compensation.

New Jersey

Benefits. Beginning January 1, 1996, a base week will be any calendar week in which an individual earned 20 percent of the statewide average weekly wage. Beginning January 1, 1996, in order to qualify for benefits, an individual must have worked 20 base weeks or earned 12 times the statewide average weekly wage or, if the individual has not met these requirements, he or she must have earned 1,000 times the State minimum wage. If an individual does not have sufficient qualifying weeks or wages in the base year to qualify for benefits, he or she may use an alternative base year consisting of the last four completed calendar quarters. If an individual does not have sufficient weeks of work or wages in the last four calendar quarters, he or she may use the last three completed calendar quarters immediately preceding the benefit year and, of the calendar quarter in which the benefit year commences, that portion of the quarter that occurs before the beginning of the benefit year. The restrictions pertaining to the use of 1,000 hours of employment in the base period as an alternative for benefit eligibility when the average weekly wage is computed were deleted.

New Mexico

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

New York

Benefits. The New York Department of Labor is committed to developing the most efficient and effective wage reporting system, using wage reporting files maintained by the New York Depart-

ment of Taxation and Finance.

North Carolina

Financing. The computation of the taxable wage base was changed to the greater of 50 percent of the State's average yearly insured wage or the \$7,000 wage base required by Federal law. Accordingly, the wage base is \$11,300. If an employer's unemployment insurance account has a credit balance, the tax rate will be determined by the contribution rate specified in an experience rating formula table, with rates in the most favorable schedule ranging from 0.0 to 1.7 percent and those in the least favorable schedule ranging from 0.0 to 2.7 percent. For calendar quarters beginning on or after March 31, 1996, the contribution rate of an employer whose rate is determined according to the experience rating tables is reduced by 50 percent in any year in which the balance in the State unemployment insurance fund equals or exceeds \$800 million on the computation date, and the ratio of the fund balance to total taxable payrolls that is determined on that date is less than 5 percent; the rate will be reduced by 60 percent for any year in which the balance in the unemployment insurance fund equals or exceeds \$800 million on the computation date, and the fund ratio determined on that date is 5 percent or more.

Disqualification. Claimants are required to report to the employment office at regular intervals no more than 4 weeks apart in order to remain eligible for benefits. An individual will be considered unavailable for work during any week in which he or she tests positive for a controlled substance if the test is required as a condition of hire for a job and the job would be suitable work for the individual.

North Dakota

Financing. A new employer will be assigned a contribution rate of 2.2 percent; however, a new construction service employer will be assigned a contribution rate that is the greater of 7 percent or the maximum contribution rate in effect for the year.

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Ohio

Coverage. An employer of domestics will be considered an employer for unemployment insurance purposes if he or she paid \$1,000 in wages in any calendar year.

Financing. The bond or deposit required of reimbursing nonprofit organizations will be the lesser of 3.0 percent of covered payrolls or an amount established by the administrator of the State unemployment insurance program.

Administration. Beginning January 1, 1997, in-

dividuals may elect to have Federal income taxes deducted and withheld from their unemployment benefits. The period within which benefit overpayments may be recovered is limited to the longer of 6 months after the determination of benefit eligibility or within 3 years after benefits have been claimed.

Oklahoma

Financing. The contribution rate for new employers will be the greater of 1.0 percent of covered payrolls or the average contribution rate paid by all employers during the second year before the current calendar year. The average contribution rate will be the result of dividing annual net contributions by total annual taxable wages.

Benefits. To qualify for benefits, an individual must have earned \$1,500 in the base period and 1-1/2 times the high-quarter wages. The alternative base-period requirement of earning wages equal to the taxable wage base still applies.

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 not be disqualified for failure to participate in reemployment services if he or she has previously completed them or there is a justifiable cause for failure to participate in the services. If an individual in approved training fails to produce evidence of attendance and satisfactory progress, he or she will be disqualified from benefits for each week of occurrence.

Administration. Beginning January 1, 1997, individuals may elect to have Federal and State income taxes deducted and withheld from their unemployment benefits. If the individual so elects, 15 percent of the total benefit amount will be deducted for Federal withholding and 3 percent for State withholding, for a total deduction of 18 percent of the weekly benefit amount.

Oregon

Coverage. A new enactment excludes from coverage services performed by corporate officers who are directors of the corporation, who have a substantial corporation ownership interest, and who are related by family (if the corporation elects not to provide coverage for the related family members).

Financing. The minimum contribution rate charged to employers under the most favorable schedule will be 0.5 percent. A new tax rate schedule, which will apply for the first calendar quarter of each odd numbered year, was added. The choice of tax schedules will depend on the adequacy ratio of the State unemployment insurance fund (fund balance/State taxable payrolls). For example, a fund adequacy ratio of under 100 percent (least favorable) has basic rates ranging from 2.17 percent to 5.4 percent. A fund adequacy ratio of 200 percent and over (most favorable)

has rates ranging from 0.47 percent to 5.4 percent. For calendar year 1996, the contribution rate for experience-rated employers under the most favorable schedule will range from 0.25 percent to 5.4 percent, and under the least favorable schedule, the rates will range from 1.95 percent to 5.4 percent. Also, in 1996, all employers, excluding those that are paying 5.4 percent, will pay an additional tax of 0.025 percent of taxable wages, which will be deposited in the Jobs Plus Unemployment Wage Fund, a State fund intended to pay for job training.

Benefits. A new enactment established a self-employment assistance program, in which selected claimants may continue to receive periodic unemployment payments while engaged full time in establishing a business and becoming self-employed. For partial benefit purposes, an individual's weekly benefit amount will be reduced by the amount of earnings in other employment that exceeds the greater of 10 times his or her minimum hourly wage or one-third of the individual's weekly benefit amount. A dislocated worker, if eligible, may receive supplemental benefits in an amount 1 to 39 times his or her most recent weekly benefit amount, based upon the amount needed to continue approved professional technical training. Beginning January 4, 1996, an individual must earn 1-1/2 times the high-quarter wages and \$1,000 in the base period to qualify for benefits. Also added is an alternative qualifying requirement of 500 hours of employment in the base period. A temporarily disabled individual's base year will be extended up to four calendar quarters if the individual files a claim after the date on which he or she is released from a care facility.

Disqualification. The director of the Oregon Employment Department may waive establishment and recovery of overpaid benefits when no decision has been issued and the amount of the overpayment is less than one-half of the maximum weekly benefit amount in effect at the time the overpayment is discovered. Under the disqualification provisions for voluntary leaving, discharge for misconduct, and refusal of suitable work, an individual will be considered to have committed a disqualifying act for failure to comply with the terms and conditions of an established employer policy, which may include blanket, random, periodic, and probable cause testing that governs the use, sale, possession, or effects of controlled substances or alcohol in the workplace. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services. A disqualification will take place if (1) an individual notifies an employer that he or she will voluntarily leave employment on a specific date, and (2) it is determined that the voluntary leaving would not constitute good cause, and (3) the employer discharges the individual (but not for misconduct connected with the work) prior to the date of planned leaving, and the actual discharge occurs no more than 15 days prior to voluntary leaving. However, the individual will be eligible for ben-

efits for the period including the week in which the actual discharge occurred through the week prior to the week of planned voluntary leaving date.

Administration. Beginning January 1, 1997, individuals may elect to have Federal income taxes deducted and withheld from their unemployment benefits. Benefit overpayments may be recovered through a reciprocal agreement with another State. The Oregon Employment Department Law was amended to specify that findings of fact or law, judgments, conclusions, or final orders made under the law will not be binding for the purpose of preclusion or used as evidence in any other action or proceeding, regardless of whether the prior action was between the same parties and involved the same facts.

Rhode Island

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services. Wages needed to purge disqualifications for voluntary leaving, discharge for misconduct, and refusal of suitable work must be earned in covered employment. Interest will now be assessed on recoveries of benefits improperly or excessively paid as a result of fraud or misrepresentation by the claimant. The penalty for fraudulent misrepresentation to obtain or increase benefits will be a misdemeanor, and in criminal proceedings, a fine not to exceed \$1,000 or double the value of the fraud, whichever is greater, or imprisonment for up to 1 year, or both. The penalty for fraudulent misrepresentation to reduce or prevent the payment of benefits will be a misdemeanor and, in criminal proceedings, a fine not to exceed \$1,000 or double the value of the fraud, whichever is greater, or imprisonment for up to 1 year, or both.

Tennessee

Financing. An employer will be charged for benefits paid to an individual who was disqualified for voluntary leaving, discharge for misconduct, or unemployment due to a labor dispute if the employer does not provide adequate and timely written notification on a former employee's disqualification to the commissioner of the State unemployment insurance program. The noncharging provisions that apply to a contributing employer when an individual continues to work part time for the employer to the same extent as in the base period will not apply to a reimbursing employer.

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services. An individual will be disqualified from benefits

for participating in an employer's program that provides monetary incentives to employees to voluntarily terminate their employment, if the monetary incentive is greater than the maximum amount of benefits an individual would receive and the monetary incentive does not include wages in lieu of notice, separation allowance, severance pay, or similar payment. An individual will be disqualified for leaving work either to avoid taking a drug or alcohol screening test or after receiving a positive result to a test. The statutory limitation for collection of benefit overpayment is 90 days. An employer is required to reduce the amount of a backpay award or settlement by the amount of unemployment benefits an individual received during the period for which the award was granted, and must forward the amount to the Tennessee Department of Employment Security within 30 days of the settlement.

Texas

Benefits. The eligibility requirement for extended benefits was amended to specify that, in addition to having base-period wages of 37 times the weekly benefit amount, an individual may qualify by having wages in insured work in an amount equal to not less the 1-1/2 times high-quarter wages, or wages in covered work equal to 40 times the weekly benefit amount.

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services. The pension offset provisions were amended to specify that, if an individual receives a Social Security pension, and contributed to the pension, his or her weekly benefit amount will not be reduced.

Administration. Beginning January 1, 1997, individuals may elect to have Federal income taxes deducted and withheld from their unemployment benefits.

Utah

Coverage. Services performed for remuneration will be deemed covered employment, unless it is shown that the worker has been, and continues to be, free from control or direction over the means of performing those services and is customarily engaged in an independent trade or business.

Virginia

Financing. The minimum contribution rate for experience-rated employers under the least favorable schedule is 0.52 percent. For the period January 1, 1996, to January 1, 1998, the tax rate for new employers will be 2.5 percent until they are experience rated.

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is

identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services. Individuals undergoing approved training under Title III of the Jobs Training Partnership Act will not be denied benefits for failure to apply for, or refusal to accept, suitable work.

Washington

Financing. Benefits paid to an individual who is engaged in work force training, and to individuals who did not successfully complete an approved on-the-job training program will be charged to the employer's experience rating account. An experience-rated employer also will be charged for benefits paid under a reciprocal benefit arrangement between States, and for State additional benefits paid to dislocated workers in the forest products industry. The contribution rate for a successor employer who is not an employer at the time of transfer of benefits will pay the lesser of either the rate assigned to the predecessor employer at the time of the transfer or the average industry rate, but not less than 1 percent. Employers can make voluntary contributions of an amount equal to part or all of the benefits charged to the employer's account during the 2 most recent contribution years.

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services.

Wyoming

Coverage. The definition of "employer" was amended to include any employing unit for which a worker performs service as an employee. The provision that lists the tests used to determine an employer-employee relationship for coverage purposes was amended to delete "worker is customarily engaged in an independent trade or business." Thus, services will be covered unless the individual is free from control or direction over the details of the performance of services.

Disqualification. To be eligible for benefits, an individual must participate in reemployment services such as job search assistance if he or she is identified through a profiling system to be likely to exhaust regular benefits, unless the individual has completed the services or there is a justifiable cause for failure to participate in the services. An individual will not be disqualified from benefits for voluntarily leaving work in order to return to approved training.

Footnote

¹ Arkansas, Georgia, Idaho, Indiana, Kansas, Maine, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, Rhode Island, Tennessee, Texas, Virginia, Washington, and Wyoming.