



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration

BUDGET OFFICE

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Memorandum

To: The Honorable Steven M. Costantino
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: May 21, 2010

Subject: Amendments to FY 2011 Appropriations Act (10-H-7397)

The Governor requests two new articles be added to the FY 2011 Appropriations Act (H-7397) entitled "Relating to Employment Security – UI Loan - Interest" and "Relating to Employment Security – Taxes and Benefits". The first article would increase the Job Development Assessment from 0.21% to 0.51% to provide additional resources to pay the principal and/or interest due on Title XII loans received from the federal government that were used to pay unemployment insurance benefits.

The second article would make various changes to unemployment insurance benefit provisions, including changing the taxable wage base calculation for employers, freezing the minimum weekly benefit amount, changing the weekly benefit amount calculation, reducing the percentage of an individual's total wages replaced; delaying the receipt of unemployment benefits by those who receive severance pay, lowering the maximum dependents' benefit and raising the earnings requirement to overcome disqualification issues.

If you have any questions regarding these new articles, please feel free to call Sandra Powell at 462-8869.

TAM:sm 10-39

Attachments

cc: Representative Robert A. Watson
Senator Dennis L. Algieri
Sharon Reynolds Ferland
Peter Marino
Tim Costa
Michael Cronan

ARTICLE X

RELATING TO EMPLOYMENT SECURITY – UI LOAN INTEREST

1 SECTION 1. Sections 28-43-8 and 28-43-8.5 of the General Laws in Chapter 28-43 entitled
2 “Employment Security – Contributions” are hereby amended to read as follows:

3 **§ 28-43-8 Experience rates – Tables.** – (a)(1) Whenever, as of September 30, 1987, or any
4 subsequent computation date, the amount in the employment security fund available for benefits is six
5 and four tenths percent (6.4%) or more of total payrolls as determined in § 28-43-1(9), an experience
6 rate for each eligible employer for the immediately following calendar year shall be determined in
7 accordance with schedule A in this subsection.

8 (2) Whenever, as of September 30, 1987, or any subsequent computation date, the amount in
9 the employment security fund available for benefits is six and one-tenth percent (6.1%) but less than
10 six and four-tenths (6.4%) of total payrolls as determined in § 28-43-1(9), an experience rate for each
11 eligible employer for the immediately following calendar year shall be determined in accordance with
12 schedule B in this subsection.

13 (3) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
14 the employment security fund available for benefits is five and eight-tenths percent (5.8%) but less
15 than six and one-tenth (6.1%) of total payrolls as determined in § 28-43-1(9), an experience rate for
16 each eligible employer for the immediately following calendar year shall be determined in accordance
17 with schedule C in this subsection.

18 (4) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
19 the employment security fund available for benefits is five and three-tenths percent (5.3%) but less
20 than five and eight-tenths (5.8%) of total payrolls as determined in § 28-43-1(9), an experience rate for
21 each eligible employer for the immediately following calendar year shall be determined in accordance
22 with schedule D in this subsection.

23 (5) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
24 the employment security fund available for benefits is four and seven-tenths percent (4.7%) but less
25 than five and three-tenths (5.3%) of total payrolls as determined in § 28-43-1(9), an experience rate for

1 each eligible employer for the immediately following calendar year shall be determined in accordance
2 with schedule E in this subsection.

3 (6) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
4 the employment security fund available for benefits is three and six-tenths percent (3.6%) but less than
5 four and seven-tenths (4.7%) of total payrolls as determined in § 28-43-1(9), an experience rate for
6 each eligible employer for the immediately following calendar year shall be determined in accordance
7 with schedule F in this subsection.

8 (7) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
9 the employment security fund available for benefits is three percent (3%) but less than three and six-
10 tenths (3.6%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible
11 employer for the immediately following calendar year shall be determined in accordance with
12 schedule G in this subsection.

13 (8) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
14 the employment security fund available for benefits is two and seventy five hundredths percent
15 (2.75%) but less than 3 percent (3%) of total payrolls as determined in § 28-43-1(9), an experience rate
16 for each eligible employer for the immediately following calendar year shall be determined in
17 accordance with schedule H in this subsection.

18 (9) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
19 the employment security fund available for benefits is less than two and seventy five hundredths
20 percent (2.75%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible
21 employer for the immediately following calendar year shall be determined in accordance with
22 schedule I in this subsection.

23 ~~(10) Whenever the amount in the employment security fund available for benefits, net of~~
24 ~~obligations owed to the federal government, is less than zero at the end of the second month in any~~
25 ~~calendar quarter, every employer subject to the contribution provisions of this chapter shall be required~~
26 ~~to pay a surtax of three tenths of one percent (.3%) of the individual employer's taxable wages for the~~
27 ~~calendar quarter, in addition to any other contribution which the employer is required to make under~~

1 (4) To provide for job training, counseling and assessment services, and other related activities
2 and services. Services will include but are not limited to research, development, coordination, and
3 training activities to promote workforce development and business development as established by the
4 human resource investment council;

5 (5) To support the state's job training for economic development; ~~and~~

6 (6)(i) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the twenty-one
7 hundredths of one percent (0.21%) job development assessment paid pursuant to § 28-43-8.5 shall be
8 used to support necessary core services in the unemployment insurance and employment services
9 programs operated by the department of labor and training; and

10 (ii) Beginning January 1, 2011, two hundredths of one percent (0.02%) out of the fifty-one
11 hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43-8.5 shall be
12 used to support necessary core services in the unemployment insurance and employment services
13 programs operated by the department of labor and training; and

14 (7) Beginning January 1, 2011, three tenths of one percent (0.3%) out of the fifty-one
15 hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43-8.5 shall be
16 used solely to pay the principal and/or interest due on Title XII advances received from the federal
17 government in accordance with the provisions of Section 1201 of the Social Security Act; provided,
18 however, that if the federal Title XII loans are repaid through a state revenue bond or other financing
19 mechanism, then these funds may also be used to pay the principal and/or interest that accrues on that
20 debt.

21 (b) The general treasurer shall pay all vouchers duly drawn by the council upon the fund, in
22 any amounts and in any manner that the council may prescribe. Vouchers so drawn upon the fund shall
23 be referred to the controller within the department of administration. Upon receipt of those vouchers,
24 the controller shall immediately record and sign them and shall promptly transfer those signed
25 vouchers to the general treasurer. Those expenditures shall be used solely for the purposes specified in
26 this section and its balance shall not lapse at any time but shall remain continuously available for
27 expenditures consistent with this section. The general assembly shall annually appropriate the funds

1 contained in the fund for the use of the human resource investment council and, in addition, for the use
2 of the department of labor and training effective July 1, 2000, and for the payment of the principal and
3 interest due on federal Title XII loans beginning July 1, 2011; provided, however, that if the federal
4 Title XII loans are repaid through a state revenue bond or other financing mechanism, then the funds
5 may also be used to pay the principal and/or interest that accrues on that debt.

6 SECTION 3. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds" is
7 hereby amended to read as follows:

8 **§ 35-4-27 Indirect cost recoveries on restricted receipt accounts.** – Indirect cost recoveries
9 of ten percent (10%) of cash receipts shall be transferred from all restricted receipt accounts, to be
10 recorded as general revenues in the general fund. However, there shall be no transfer from cash
11 receipts with restrictions received exclusively: (1) from contributions from non-profit charitable
12 organizations; (2) from the assessment of indirect cost recovery rates on federal grant funds; ~~or~~ (3)
13 through transfers from state agencies to the department of administration for the payment of debt
14 service; or (4) from that portion of contributions paid by employers under §28-43-8.5 solely dedicated
15 to repay the principal and/or interest on Title XII loans received from the federal government in
16 accordance with the provisions of Section 1201 of the Social Security Act or to retire debt on other
17 financing mechanisms incurred to repay those federal loans. These indirect cost recoveries shall be
18 applied to all accounts, unless prohibited by federal law or regulation, court order, or court settlement.

19 The following restricted receipt accounts shall not be subject to the provisions of this section:

- 20 Department of Human Services
- 21 Veterans' home – Restricted account
- 22 Veterans' home – Resident benefits
- 23 Organ transplant fund
- 24 Veteran's Cemetery Memorial Fund
- 25 Department of Health
- 26 Pandemic medications and equipment account
- 27 Department of Mental Health, Retardation and Hospitals

- 1 Hospital Medicare Part D Receipts
- 2 RICLAS Group Home Operations
- 3 Department of Environmental Management
- 4 National heritage revolving fund
- 5 Environmental response fund II
- 6 Underground storage tanks
- 7 Rhode Island Council on the Arts
- 8 Art for public facilities fund
- 9 Rhode Island Historical Preservation and Heritage Commission
- 10 Historic preservation revolving loan fund
- 11 Historic Preservation loan fund – Interest revenue
- 12 State Police
- 13 Forfeited property – Retained
- 14 Forfeitures – Federal
- 15 Forfeited property – Gambling
- 16 Donation – Polygraph and Law Enforcement Training
- 17 Attorney General
- 18 Forfeiture of property
- 19 Federal forfeitures
- 20 Attorney General multi-state account
- 21 Department of Administration
- 22 Restore and replacement – Insurance coverage
- 23 Convention Center Authority rental payments
- 24 Investment Receipts – TANS
- 25 Car Rental Tax/Surcharge-Warwick Share
- 26 OPEB System Restricted Receipt Account
- 27 Legislature

- 1 Audit of federal assisted programs
- 2 Department of Elderly Affairs
- 3 Pharmaceutical Rebates Account
- 4 Department of Children Youth and Families
- 5 Children's Trust Accounts – SSI
- 6 Military Staff
- 7 RI Military Family Relief Fund
- 8 Treasury
- 9 Admin. Expenses – State Retirement System
- 10 Retirement – Treasury Investment Options
- 11 Business Regulation
- 12 Banking Division Reimbursement Account
- 13 Office of the Health Insurance Commissioner Reimbursement Account
- 14 Securities Division Reimbursement Account
- 15 Commercial Licensing and Racing and Athletics Division Reimbursement Account
- 16 Insurance Division Reimbursement Account
- 17 Historic Preservation Tax Credit Account.
- 18 Judiciary
- 19 Arbitration Fund Restricted Receipt Account

20 SECTION 4. This article shall take effect as of July 1, 2010.

EXPLANATION OF ARTICLE X

RELATING TO EMPLOYMENT SECURITY – UI LOAN INTEREST

1 This act would increase the Job Development Assessment from 0.21% to 0.51%
2 beginning January 1, 2011. The Rhode Island Human Resource Investment Council will continue
3 to use the original 0.19% to support its projects and programs while 0.02% will continue to be
4 used by the Rhode Island Department of Labor and Training to support necessary core services in
5 the Unemployment Insurance and Employment Services programs. The additional 0.3% will be
6 used solely to pay the principal and/or interest due on Title XII loans received from the federal
7 government under the Social Security Act that were used to pay Unemployment Insurance
8 benefits or to pay the principal and/or interest that accrues on any state revenue bond or other
9 financing mechanism that was used to repay the federal Title XII loans. In addition, the additional
10 employer contributions paid into the job Development fund for the repayment of the UI interest
11 and/or principal shall be exempt from the State 10% Indirect Cost Recovery assessment.

12 This act shall take effect as of July 1, 2010.

ARTICLE X

RELATING TO EMPLOYMENT SECURITY – TAXES AND BENEFITS

1 SECTION 1. Section 28-43-7 of the General Laws in Chapter 28-43 entitled
2 “Employment Security – Contributions” is hereby amended to read as follows:

3 **§ 28-43-7 Taxable wage base.** – (a)(1) The taxable wage base under this chapter for the
4 tax year beginning January 1, 1999, and ~~all subsequent tax years~~ ending with tax year 2010 shall
5 be:

6 (1) Twelve thousand dollars (\$12,000) if the amount of the employment security fund,
7 not including any federal disbursements made to the states pursuant to 42 U.S.C. § 1103, is more
8 than two hundred twenty-five million dollars (\$225,000,000);

9 (2) Fourteen thousand dollars (\$14,000) if the amount of the employment security fund is
10 more than one hundred seventy-five million dollars (\$175,000,000) but less than or equal to two
11 hundred twenty-five million dollars (\$225,000,000);

12 (3) Sixteen thousand dollars (\$16,000) if the amount of the employment security fund is
13 more than one hundred twenty-five million dollars (\$125,000,000) but less than or equal to one
14 hundred seventy-five million dollars (\$175,000,000);

15 (4) Eighteen thousand dollars (\$18,000) if the amount of the employment security fund is
16 less or equal to than one hundred twenty-five million dollars (\$125,000,000) but more than
17 seventy-five million dollars (\$75,000,000); or

18 (5) Nineteen thousand dollars (\$19,000) if the amount of the employment security is less
19 than or equal to seventy-five million (\$75,000,000).

20 (b) ~~The taxable wage base shall be determined by the amount of the employment security~~
21 ~~fund on September 30th of each calendar year and that taxable wage base shall be effective for~~
22 ~~the tax year immediately following the determination date.~~ The taxable wage base under this
23 chapter for the tax year beginning January 1, 2011, shall be equal to the higher of \$19,000 or
24 forty-six percent (46%) of the average annual wage in covered employment during the calendar

1 year immediately preceding the computation date for the effective tax year; the computed figure,
2 if not an even multiple of two hundred dollars (\$200), shall be rounded upward to the next higher
3 even multiple of two hundred dollars (\$200). That taxable wage base shall be computed as
4 follows: On September 30, 2010, the total annual wages paid to individuals in covered
5 employment for the preceding calendar year by all employers who are required to pay
6 contributions under the provisions of chapters 42 – 44 of this title, shall be divided by the
7 monthly average number of individuals in covered employment during the preceding calendar
8 year, and the quotient shall be multiplied by forty-six hundredths (.46). If the result thus obtained
9 is not an even multiple of two hundred dollars (\$200), it shall be rounded upward to the next
10 higher even multiple of two hundred dollars (\$200). That taxable wage base shall be effective for
11 the tax year immediately following the computation date.

12 (c) The taxable wage base under this chapter for the tax year beginning January 1, 2012,
13 shall be equal to forty-seven percent (47%) of the average annual wage in covered employment
14 during the calendar year immediately preceding the computation date for the effective tax year;
15 the computed figure shall be rounded upward to the next higher even multiple of two hundred
16 dollars (\$200). That taxable wage base shall be computed as follows: On September 30, 2011, the
17 total annual wages paid to individuals in covered employment for the preceding calendar year by
18 all employers who are required to pay contributions under the provisions of chapters 42 – 44 of
19 this title, shall be divided by the monthly average number of individuals in covered employment
20 during the preceding calendar year, and the quotient shall be multiplied by forty-seven hundredths
21 (.47). If the result thus obtained is not an even multiple of two hundred dollars (\$200), it shall be
22 rounded upward to the next higher even multiple of two hundred dollars (\$200). That taxable
23 wage base shall be effective for the tax year immediately following the computation date.

24 (d) The taxable wage base under this chapter for the tax year beginning January 1, 2013,
25 shall be equal to forty-eight percent (48%) of the average annual wage in covered employment
26 during the calendar year immediately preceding the computation date for the effective tax year;

1 the computed figure shall be rounded upward to the next higher even multiple of two hundred
2 dollars (\$200). That taxable wage base shall be computed as follows: On September 30, 2012, the
3 total annual wages paid to individuals in covered employment for the preceding calendar year by
4 all employers who are required to pay contributions under the provisions of chapters 42 – 44 of
5 this title, shall be divided by the monthly average number of individuals in covered employment
6 during the preceding calendar year, and the quotient shall be multiplied by forty-eight hundredths
7 (.48). If the result thus obtained is not an even multiple of two hundred dollars (\$200), it shall be
8 rounded upward to the next higher even multiple of two hundred dollars (\$200). That taxable
9 wage base shall be effective for the tax year immediately following the computation date.

10 (e) The taxable wage base under this chapter for the tax year beginning January 1, 2014,
11 shall be equal to forty-nine percent (49%) of the average annual wage in covered employment
12 during the calendar year immediately preceding the computation date for the effective tax year;
13 the computed figure shall be rounded upward to the next higher even multiple of two hundred
14 dollars (\$200). That taxable wage base shall be computed as follows: On September 30, 2013, the
15 total annual wages paid to individuals in covered employment for the preceding calendar year by
16 all employers who are required to pay contributions under the provisions of chapters 42 – 44 of
17 this title, shall be divided by the monthly average number of individuals in covered employment
18 during the preceding calendar year, and the quotient shall be multiplied by forty-nine hundredths
19 (.49). If the result thus obtained is not an even multiple of two hundred dollars (\$200), it shall be
20 rounded upward to the next higher even multiple of two hundred dollars (\$200). That taxable
21 wage base shall be effective for the tax year immediately following the computation date.

22 (f) The taxable wage base under this chapter for the tax year beginning January 1, 2015,
23 and all subsequent tax years shall be equal to fifty percent (50%) of the average annual wage in
24 covered employment during the calendar year immediately preceding the computation date for
25 the effective tax year; the computed figure shall be rounded upward to the next higher even
26 multiple of two hundred dollars (\$200). That taxable wage base shall be computed as follows: On

1 September 30, 2014, and every computation date thereafter the total annual wages paid to
2 individuals in covered employment for the preceding calendar year by all employers who are
3 required to pay contributions under the provisions of chapters 42 – 44 of this title, shall be
4 divided by the monthly average number of individuals in covered employment during the
5 preceding calendar year, and the quotient shall be multiplied by fifty hundredths (.50). If the
6 result thus obtained is not an even multiple of two hundred dollars (\$200), it shall be rounded
7 upward to the next higher even multiple of two hundred dollars (\$200). That taxable wage base
8 shall be effective for the tax year immediately following the computation date.

9 (g) Notwithstanding the above, the taxable wage base for employers with reserve account
10 percentages of negative twenty-four and ninety nine hundredths (24.99) or less for the tax years
11 beginning January 1, 2011, and thereafter, shall be three thousand dollars (\$3,000) above the
12 taxable wage base computed for all other employers under subsections (b) through (f) of this
13 section.

14 SECTION 2. Sections 28-44-6, 28-44-9, 28-44-17, 28-44-18, 28-44-20 and 28-44-59 of
15 the General Laws in Chapter 28-44 entitled “Employment Security – Benefits” are hereby
16 amended to read as follows:

17 **§ 28-44-6 Weekly benefits for total unemployment – Year established – Dependents'**
18 **allowance.** – (a)(1) The benefit rate payable under this chapter to any eligible individual with
19 respect to any week of his or her total unemployment, when that week occurs within a benefit
20 year, shall be, for benefit years beginning on or after ~~October 1, 1989, four and sixty-two~~
21 ~~hundredths percent (4.62%) of the wages paid to the individual in that calendar quarter of the~~
22 ~~base period in which the individual's wages were highest; January 1, 2011, three and eighty-five~~
23 ~~hundredths percent (3.85%) of the average quarterly wage paid to the individual in the two~~
24 ~~calendar quarters of the base period in which the individual's wages were highest;~~

25 (2) Provided, that the benefit rate shall not be more than ~~sixty-seven percent (67%)~~ fifty-
26 seven and one half percent (57.5%) of the average weekly wage paid to individuals in

1 employment covered by the Employment Security Act for the preceding calendar year ending
2 December 31 or the maximum weekly benefit rate in effect as of July 1, 2010, whichever is the
3 highest. If the maximum weekly benefit rate is not an exact multiple of one dollar (\$1.00), then
4 the rate shall be rounded to the next lower multiple of one dollar (\$1.00).

5 (3) The average weekly wage of individuals in covered employment shall be computed as
6 follows: On or before May 31 of each year, the total annual wages paid to individuals in covered
7 employment for the preceding calendar year by all employers shall be divided by the monthly
8 average number of individuals in covered employment during that preceding calendar year, and
9 the quotient shall be divided by fifty-two (52). That weekly benefit rates shall be effective
10 throughout benefit years beginning on or after July 1 of that year and prior to July 1, of the
11 succeeding calendar year.

12 (4) The benefit rate of any individual, if not an exact multiple of one dollar (\$1.00), shall
13 be rounded to the next lower multiple of one dollar (\$1.00).

14 (b) An individual to whom benefits for total or partial unemployment are payable under
15 this chapter with respect to any week shall, in addition to those benefits, be paid with respect to
16 each week a dependents' allowance of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) or ~~five percent~~
17 ~~(5%)~~ three percent (3%) of the individual's benefit rate whichever is greater for each of that
18 individual's children, including adopted and stepchildren, or that individual's court appointed
19 wards who, at the beginning of the individual's benefit year, is under eighteen (18) years of age,
20 and who is at that time in fact dependent on that individual, including individuals who have been
21 appointed the legal guardian of such child by the appropriate court. The total dependents'
22 allowance paid to any individual shall not exceed the greater of fifty dollars (\$50) or fifteen
23 percent (15%) of the individual's benefit rate. Notwithstanding the above, the total amount of the
24 dependents' allowance paid to individuals receiving partial unemployment benefits for any week
25 shall be based on the percentage that their partial weekly benefit rate is compared to their full
26 weekly benefit rate.

1 (2) The dependent's allowance shall also be paid to the individual for any child, including
2 an adopted child or a stepchild, eighteen (18) years of age or over, incapable of earning any
3 wages because of mental or physical incapacity, and who is dependent on that individual in fact at
4 the beginning of the individual's benefit year.

5 (3) In no instance shall the number of dependents for which an individual may receive
6 dependents' allowances exceed five (5) in total.

7 (4) The weekly total of dependents' allowances payable to any individual, if not an exact
8 multiple of one dollar (\$1.00), shall be rounded to the next lower multiple of one dollar (\$1.00).

9 (5) The number of an individual's dependents, and the fact of their dependency, shall be
10 determined as of the beginning of that individual's benefit year. Only one individual shall be
11 entitled to a dependent's allowance for the same dependent with respect to any week. As to two
12 (2) or more parties making claim for an allowance for the same dependent for the same week, the
13 benefit shall be provided to the party who has actual custody of the dependent or in the case of
14 joint custody, to the party who has physical possession of the dependent.

15 (6) Each individual who claims a dependent's allowance shall establish his or her claim to
16 it to the satisfaction of the director under procedures established by the director.

17 (7) This subsection shall be effective for all benefit years beginning on or after July 1,
18 1985 January 1, 2011.

19 **§ 28-44-9 Duration of benefits.** - (a) ~~The maximum total amount of benefits payable~~
20 ~~during a benefit year to any eligible individual whose benefit year begins on or after November~~
21 ~~16, 1958, and prior to October 1, 1989, shall be determined in the following manner:~~

22 (i) ~~The total number of weeks of employment in his or her base period shall be multiplied~~
23 ~~by three-fifths (3/5), and the result, if not a whole number of weeks, shall be adjusted to the next~~
24 ~~higher whole number of weeks, and~~

25 (ii) ~~The number of weeks so obtained shall be multiplied by the individual's weekly~~
26 ~~benefit rate for total unemployment; and the result shall be the total amount of benefit credits to~~

1 ~~which that individual is entitled during his or her benefit year. However, no individual shall be~~
2 ~~paid total benefits in any benefit year which exceed twenty six (26) times his or her weekly~~
3 ~~benefit rate. Dependents' allowances to which he or she might be entitled under § 28-44-6 shall be~~
4 ~~in addition to those total benefits.~~

5 (2) ~~Each week of employment within an individual's base period shall be counted as one~~
6 ~~week for the purpose of this section, regardless of the number of employers for whom an~~
7 ~~individual performed services in employment during that week. For the purpose of this section, a~~
8 ~~week of employment shall be any calendar week within which an individual has performed~~
9 ~~services in employment for one or more employers subject to chapters 42 – 44 of this title.~~

10 (b) ~~The total amount of benefits payable during a benefit year to any eligible individual~~
11 ~~whose benefit year begins on or after October 1, 1989, but prior to January 1, 2011 shall be an~~
12 ~~amount equal to thirty-six percent (36%) of the individual's total wages for employment by~~
13 ~~employers subject to chapters 42 – 44 of this title during his or her base period; provided, that the~~
14 ~~total amount of benefits payable during a benefit year to any eligible individual whose benefit~~
15 ~~year begins on or after January 1, 2011 shall be an amount equal to thirty-three percent (33%) of~~
16 ~~the individual's total wages for employment by employers subject to chapters 42 – 44 of this title~~
17 ~~during his or her base period; provided, that no individual shall be paid total benefits in any~~
18 ~~benefit year which exceed twenty-six (26) times his or her weekly benefit rate. Dependents'~~
19 ~~allowances to which he or she might be entitled under § 28-44-6 shall be in addition to the total~~
20 ~~benefits. If the total amount of benefits is not an exact multiple of one dollar (\$1.00), then it shall~~
21 ~~be rounded to the next lower multiple of one dollar (\$1.00).~~

22 **§ 28-44-17 Voluntary leaving without good cause.** – (a) ~~For benefit years beginning on~~
23 ~~or after January 1, 2011, An an individual who leaves work voluntarily without good cause shall~~
24 ~~be ineligible for waiting period credit or benefits for the week in which the voluntary quit~~
25 ~~occurred and until he or she establishes to the satisfaction of the director that he or she has~~
26 ~~subsequent to that leaving had at least eight (8) weeks of work, and in each of those eight (8)~~

1 weeks has had earnings ~~of at least twenty (20) times the minimum hourly wage as defined in~~
2 ~~chapter 12 of this title~~ greater than or equal to his or her weekly benefit rate for performing
3 services in employment for one or more employers subject to chapters 42 – 44 of this title. For
4 the purposes of this section, "voluntarily leaving work with good cause" shall include:

5 (1) sexual harassment against members of either sex;

6 (2) voluntarily leaving work with an employer to accompany, join or follow his or her
7 spouse to a place, due to a change in location of the spouse's employment, from which it is
8 impractical for such individual to commute; and

9 (3) the need to take care for a member of the individual's immediate family due to illness
10 or disability as defined by the Secretary of Labor; provided that the individual shall not be
11 eligible for waiting period credit or benefits until he or she is able to work and is available for
12 work. For the purposes of this provision, the following terms apply:

13 (i) "immediate family member" means a spouse, parents, mother-in-law, father-in-law
14 and children under the age of eighteen (18);

15 (ii) "illness" means a verified illness which necessitates the care of the ill person for a
16 period of time longer than the employer is willing to grant leave, paid or otherwise; and

17 (iii) "disability" means all types of verified disabilities, including mental and physical
18 disabilities, permanent and temporary disabilities, and partial and total disabilities.

19 (b) For the purposes of this section, "voluntarily leaving work without good cause" shall
20 include voluntarily leaving work with an employer to accompany, join or follow his or her spouse
21 in a new locality in connection with the retirement of his or her spouse, or failure by a temporary
22 employee to contact the temporary help agency upon completion of the most recent work
23 assignment to seek additional work unless good cause is shown for that failure; provided, that the
24 temporary help agency gave written notice to the individual that the individual is required to
25 contact the temporary help agency at the completion of the most recent work assignment to seek
26 additional work.

1 **§ 28-44-18 Discharge for misconduct.** – For benefit years beginning on or after
2 January 1, 2011, ~~An~~ an individual who has been discharged for proved misconduct connected
3 with his or her work shall become ineligible for waiting period credit or benefits for the week in
4 which that discharge occurred and until he or she establishes to the satisfaction of the director that
5 he or she has, subsequent to that discharge, had at least eight (8) weeks of work, and in each of
6 that eight (8) weeks has had earnings ~~of at least twenty (20) times the minimum hourly wage as~~
7 ~~defined in chapter 12 of this title~~ greater than or equal to his or her weekly benefit rate for
8 performing services in employment for one or more employers subject to chapters 42 – 44 of this
9 title. Any individual who is required to leave his or her work pursuant to a plan, system, or
10 program, public or private, providing for retirement, and who is otherwise eligible, shall under no
11 circumstances be deemed to have been discharged for misconduct. If an individual is discharged
12 and a complaint is issued by the regional office of the National Labor Relations board or the state
13 labor relations board that an unfair labor practice has occurred in relation to the discharge, the
14 individual shall be entitled to benefits if otherwise eligible. For the purposes of this section,
15 "misconduct" is defined as deliberate conduct in willful disregard of the employer's interest, or a
16 knowing violation of a reasonable and uniformly enforced rule or policy of the employer,
17 provided that such violation is not shown to be as a result of the employee's incompetence.
18 Notwithstanding any other provisions of chapters 42 – 44 of this title, this section shall be
19 construed in a manner that is fair and reasonable to both the employer and the employed worker.

20 **§ 28-44-20 Refusal of suitable work.** – (a) For benefit years beginning on or after
21 January 1, 2011, ~~If~~ if an otherwise eligible individual fails, without good cause, either to apply for
22 suitable work when notified by the employment office, or to accept suitable work when offered to
23 him or her, he or she shall become ineligible for waiting period credit or benefits for the week in
24 which that failure occurred and until he or she establishes to the satisfaction of the director that he
25 or she has, subsequent to that failure, had at least eight (8) weeks of work and in each of those
26 eight (8) weeks has had earnings ~~of at least twenty (20) times the minimum hourly wage, as~~

1 ~~defined in chapter 12~~ greater than or equal to his or her weekly benefit rate for performing
2 services in employment for one or more employers subject to chapters 42 – 44 of this title.

3 (b) "Suitable work" means any work for which the individual in question is reasonably
4 fitted, which is located within a reasonable distance of his or her residence or last place of work
5 and which is not detrimental to his or her health, safety, or morals. No work shall be deemed
6 suitable, and benefits shall not be denied under chapters 42 – 44 of this title to any otherwise
7 eligible individual for refusing to accept new work, under any of the following conditions:

8 (1) If the position offered is vacant due directly to a strike, lockout, or other labor dispute;

9 (2) If the wages, hours, or other conditions of the work are substantially less favorable to
10 the employee than those prevailing for similar work in the locality;

11 (3) If, as a condition of being employed, the individual would be required to join a
12 company union or to resign from or refrain from joining any bona fide labor organization.

13 **§ 28-44-59 Severance or dismissal pay allocation.** – For benefit years beginning on or
14 after January 1, 2011, for the purpose of determining an individual's benefit eligibility for any
15 week of unemployment, any remuneration received by an employee from his or her employer in
16 the nature of severance or dismissal pay, whether or not the employer is legally required to pay
17 that remuneration, shall be deemed to be wages paid on the last day of employment for services
18 performed prior to that date allocated on a weekly basis from the individual's last day of work for
19 a period not to exceed twenty-six (26) weeks, and the individual will not be entitled to receive
20 benefits for any such week for which it has been determined that the individual received
21 severance or dismissal pay. Such severance or dismissal pay, if the employer does not specify a
22 set number of weeks, shall be allocated using the individual's weekly benefit rate.

23 SECTION 3. This article shall take effect as of July 1, 2010.

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EXPLANATION OF ARTICLE X
RELATING TO EMPLOYMENT SECURITY – TAXES AND BENEFITS

* * *

2 This act would change the taxable wage base calculation for all employers. This act
3 would also make several changes to unemployment insurance benefit provisions. These changes
4 include freezing the maximum weekly benefit amount and changing the percentage used in the
5 annual computation; changing the weekly benefit amount calculation; reduce the percentage of an
6 individual's total wages replaced; delaying the receipt of unemployment benefits by those who
7 receive severance pay; lowering the maximum dependents' benefit; and raising the earnings
8 requirement to overcome disqualification issues.

9 This bill also incorporates the changes proposed to the minimum dependents' allowance
10 and the definition of voluntary leaving without good cause that were included in Article 27 of the
11 FY 2011 budget for UI Modernization.

12 This act shall take effect as of July 1, 2010.