

2020 Second Extraordinary Session

SENATE BILL NO. 55

BY SENATORS CORTEZ AND REESE

UNEMPLOYMENT COMP. Provides for the unemployment insurance procedure to be applied by the administrator for calendar year 2021. (gov sig) (Items #8 and #30)

1 AN ACT

2 To amend and reenact R.S. 23:1541(D) and 1553(B)(8) and (10) and to enact R.S.
3 23:1474(J), relative to unemployment insurance; to provide for taxes and benefits for
4 calendar year 2021; to provide relative to the social charge account; and to provide
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 23:1541(D) and 1553(B)(8) and (10) are hereby amended and
8 reenacted and R.S. 23:1474(J) is hereby enacted to read as follows:

9 §1474. Administrator; Revenue Estimating Conference; "wages"; weekly benefit
10 amounts

11 * * *

12 **J. Notwithstanding any other provision of this Section or any other law**
13 **to the contrary, the administrator shall apply Procedure 2 from the table in**
14 **Subsection I of this Section for the calendar year beginning on January 1, 2021,**
15 **for the maximum dollar amount of "wages", maximum weekly benefit amount,**
16 **with any applicable discounts under R.S. 23:1592, and the formula for**
17 **computation of benefits.**

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§1541. Notice of benefits charged against employer's experience rating record;
employer's right to contest; application for review; procedure

* * *

D.~~(1)~~ The administrator shall establish by October fourteenth of each year the amount to be collected for the Incumbent Worker Training Account pursuant to R.S. 23:1553(B)~~(6)(7)~~ through ~~(9)~~**(10)**.

(2) Notwithstanding the provisions of Paragraph (1) of this Subsection to the contrary, for the calendar year beginning on January 1, 2021, the administrator shall not establish any amount to be collected for the Incumbent Worker Training Account.

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§1553. Noncharging of benefits; recoupment; social charge account; social charge tax rate

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B.

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(8)(a) Amounts not to exceed twenty million dollars to be credited to the Incumbent Worker Training Account to fund the Incumbent Worker Training Program as provided under R.S. 23:1514 shall be charged to this account only in any calendar year in which the applied trust fund balance range as defined in R.S. 23:1474 is equal to or greater than seven hundred fifty million dollars, but less than one billion two hundred fifty million dollars and only in the amount necessary to bring the balance of unobligated funds in such subaccount to twenty million dollars.

(b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph, no amount shall be charged to this account for the purposes of funding the Incumbent Worker Training Program as provided under R.S. 23:1514 for the calendar year beginning on January 1, 2021.

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- (3) The formula for calculating unemployment benefits for a qualified unemployed worker based upon that worker's past wages.

Present law provides that as the unemployment trust fund balance increases, employers taxes decrease and unemployed worker benefits increase, and as the trust fund balance decreases, employer taxes increase and unemployed worker benefits decrease. Specifically, the present law chart provides:

- (1) Procedure 1 (applicable when the unemployment trust fund balance range is less than \$750,000,000) provides that the taxable wage base shall be \$8,500 and the maximum weekly benefit amount shall be \$221.
- (2) Procedure 2 (applicable when the unemployment trust fund balance range is at least \$750,000,000 but less than \$1,150,000,000) provides that the taxable wage base shall be \$7,700 and the maximum weekly benefit amount shall be \$247.
- (3) Procedure 3 (applicable when the unemployment trust fund balance range is at least \$1,150,000,000 but less than \$1,400,000,000) provides that the taxable wage base shall be \$7,000 and the maximum weekly benefit amount shall be \$258.
- (4) Procedure 4 (applicable when the unemployment trust fund balance range is greater than \$1,400,000,000) provides that the taxable wage base shall be \$7,000 and the maximum weekly benefit amount shall be \$284.

Present law provides that the Procedure to be use for the following calendar year to be based on the applicable fund balance range. Requires that each September, the Revenue Estimating Conference meet to adopt its official projection of the state's unemployment trust fund balance for September 1st of the next calendar year and report such to the secretary of the Louisiana Workforce Commission. Present law then requires the secretary, using the lower amount of the actual balance in Louisiana Unemployment Trust Fund account on September 1st and the amount of the balance in Louisiana Unemployment Trust Fund projected by the Revenue Estimating Conference for the following September 1st and apply the Procedure associated with the appropriate balance range in the present law chart to set the taxable wage base, the maximum weekly benefit and formula for calculating benefits for the next calendar year.

Proposed law provides that notwithstanding any other provision of present law, the secretary of the Louisiana Workforce Commission shall apply Procedure 2 for calendar year 2021.

Present law (R.S. 23:1514) creates a job training program called the Incumbent Worker Training Program (IWTP) administered by the Louisiana Workforce Commission.

Present law provides for IWTP to receive funding as part of a social charge tax (which is a component of an employer's SUTA tax) in years in which Procedures 2, 3, and 4 are applied. Provides that in years in which the applied trust fund balance range exceeds \$750,000,000 but is less than \$1,250,000,000, the appropriation for IWTP shall be up to \$20,000,000. Provides that in years in which the applied trust fund balance range is equal to or exceeds \$1,250,000,000, the appropriation for IWTP shall be up to \$35,000,000. Present law requires the secretary of the Louisiana Workforce Commission to make the determination of the amount the IWTP is to be funded by the October 14th prior to the calendar year in which it will be collected.

Proposed law provides that notwithstanding present law, no amount shall be appropriated through the social charge account and thereby included in the social charge tax for the calendar year beginning on January 1, 2021.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 23:1541(D) and 1553(B)(8) and (10); enacts R.S. 23:1474(J))