

2021 Regular Session

SENATE BILL NO. 225

BY SENATOR REESE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

UNEMPLOYMENT COMP. Provides relative to unemployment insurance. (See Act)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

AN ACT

To amend and reenact R.S. 23:1474(I), 1592(A) and (E), and 1595 and to enact R.S. 23:1606, relative to unemployment compensation; to provide relative to the maximum weekly benefit amount; to provide for the duration of benefits; to provide for the unemployment rate; to provide definitions; to provide for extended benefits; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 23:1474(I), 1592(A) and (E), and 1595 are hereby amended and reenacted and R.S. 23:1606 is hereby enacted to read as follows:

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

* * *

I. The following table shall be applied by the administrator subsequent to his determination of comparative balance, and applied trust fund balance range, in compliance with this Section:

1

2

3

Procedure	Applied Trust Fund Balance Range	Maximum Dollar Amount of "wages" under R.S. 23:1474	Formula for Computation of Benefits	Maximum Weekly Benefit Amount
1	Less than seven hundred fifty million dollars	Eight thousand five hundred dollars	Apply R.S. 23:1592 without seven percent discount under R.S. 23:1592(D) then multiply by 1.05 and then multiply such amount by 1.03	Two hundred twenty <u>fifty</u> -one dollars
2	Equal to or greater than seven hundred fifty million dollars but less than one billion one hundred fifty million dollars	Seven thousand seven hundred dollars	Apply R.S. 23:1592 without seven percent discount under R.S. 23:1592(C) and without five percent discount under R.S. 23:1592(D), then multiply such amount by 1.05 and then multiply such amount by 1.15	Two hundred forty <u>seventy</u> -seven dollars

1

<p>3</p>	<p>Equal to or greater than one billion one hundred fifty million dollars but less than one billion four hundred million dollars</p>	<p>Seven thousand dollars</p>	<p>Apply R.S. 23:1592 without seven percent discount under R.S. 23:1592(C) and without five percent discount under R.S. 23:1592(D), then multiply such amount by 1.05 and then multiply such amount by 1.20</p>	<p>Two hundred fifty-eight <u>ninety</u> dollars</p>
<p>4</p>	<p>Greater than one billion four hundred million dollars</p>	<p>Seven thousand dollars</p>	<p>Apply R.S. 23:1592 without seven percent discount under R.S. 23:1592(C) and without five percent discount under R.S. 23:1592(D), then multiply such amount by 1.05 and then multiply such amount by 1.32</p>	<p>Two <u>Three</u> hundred eighty-four dollars</p>

2

1 * * *

2 §1592. Weekly benefit amount

3 A.(1) The formula for the calculation of a claimant's weekly benefit
4 amount shall be determined each calendar year based upon the state average
5 unemployment rate, as defined in R.S. 23:1595, for the third quarter of the
6 previous calendar year. Whenever a claimant's base period wages for insured work
7 is not less than one thousand two hundred dollars, his weekly benefit amount shall
8 be as follows:

9 (a) ~~one twenty-fifth~~ An amount equivalent to one-twelfth of the average
10 of his total wages for insured work paid during the four quarters of his base period
11 when the state's average unemployment rate is at or below five and one half
12 percent.

13 (b) An amount equivalent to one-thirteenth of the average of his total
14 wages for insured work paid during the four quarters of his base period when
15 the state's average unemployment rate is above five and one half percent and
16 at or below six percent.

17 (c) An amount equivalent to one-fourteenth of the average of his total
18 wages for insured work paid during the four quarters of his base period when
19 the state's average unemployment rate is above six percent and at or below six
20 and one half percent.

21 (d) An amount equivalent to one-fifteenth of the average of his total
22 wages for insured work paid during the four quarters of his base period when
23 the state's average unemployment rate is above six and one half percent and at
24 or below seven percent.

25 (e) An amount equivalent to one-sixteenth of the average of his total
26 wages for insured work paid during the four quarters of his base period when
27 the state's average unemployment rate is above seven percent and at or below
28 seven and one half percent.

29 (f) An amount equivalent to one-seventeenth of the average of his total

1 wages for insured work paid during the four quarters of his base period when
2 the state's average unemployment rate is above seven and one half percent and
3 at or below eight percent.

4 (g) An amount equivalent to one-eighteenth of the average of his total
5 wages for insured work paid during the four quarters of his base period when
6 the state's average unemployment rate is above eight percent and at or below
7 eight and one half percent.

8 (h) An amount equivalent to one-nineteenth of the average of his total
9 wages for insured work paid during the four quarters of his base period when
10 the state's average unemployment rate is above eight and one half percent and
11 at or below nine percent.

12 (i) An amount equivalent to one-twentieth of the average of his total
13 wages for insured work paid during the four quarters of his base period when
14 the state's average unemployment rate is above nine percent.

15 (2) This amount, if **If the amount provided for in Paragraph (1) of this**
16 **Subsection is** not a multiple of one dollar, **it** shall be computed to the next lowest
17 multiple of one dollar.

18 * * *

19 E. In no event shall the weekly amount paid under this Section be more than
20 ~~two~~ **three** hundred ~~eighty-four~~ dollars.

21 * * *

22 §1595. Duration of benefits

23 A.(1) Any **time the state's average unemployment rate is at or below five**
24 **and one half percent, any** otherwise eligible individual shall be entitled during any
25 benefit year to a total amount of benefits equal to ~~twenty-six~~ **twelve** times his weekly
26 benefit amount as determined pursuant to R.S. 23:1592 provided that such total
27 amount of benefits, if not a multiple of one dollar, shall be computed to the nearest
28 multiple of one dollar.

29 (2)(a) In addition to the amount provided in Paragraph (1) of this

1 Subsection and when the state's average unemployment rate is above five and
2 one half percent, any otherwise eligible individual shall be entitled an additional
3 amount of benefits equivalent to his weekly benefit amount as determined
4 pursuant to R.S. 23:1592 times the number of half a percent increments that the
5 state's average unemployment rate exceeds five and one half percent, provided
6 that such total amount of benefits, if not a multiple of one dollar, shall be
7 computed to the nearest multiple of one dollar.

8 (b) The additional amount provided in Subparagraph (a) of this
9 Paragraph shall not exceed an amount equivalent to eight times his weekly
10 benefit amount.

11 B.(1) No claimant shall receive a benefit check for any week beyond the
12 number of weeks computed on his initial claim unless that claimant is participating
13 in a program providing partial unemployment as set forth in R.S. 23:1472(19)(a) or
14 has been paid wages for part-time or full-time work.

15 (2) Further, if a base period employer has provided severance pay, which
16 when prorated weekly is an amount which equals or exceeds the claimant's weekly
17 benefit amount, the claimant's benefit entitlement computed pursuant to the
18 provisions of this Subsection shall be reduced by one week for each week of
19 severance pay, provided that no claimant's entitlement shall be reduced to less than
20 one week.

21 B.C.(1) For the purposes of this Section, "wages" shall be counted as "wages
22 for insured work" for the benefit purposes with respect to any benefit year only if the
23 benefit year begins subsequent to the date on which the employing unit by whom the
24 wages were paid became an employer within the meaning of this Chapter.

25 (2) For the purposes of this Section, "state average unemployment rate"
26 means the average of the three months for the most recent third calendar year
27 quarter of the seasonally adjusted unemployment rates as published by the
28 Louisiana Workforce Commission, who shall be responsible for collecting and
29 publishing unemployment rate data.

1 3304 of the Internal Revenue Code of 1954, 26 U.S.C. §3304, including
2 dependent's allowances and benefits payable to federal civilian employees and
3 ex-servicemen under 5 U.S.C. Chapter 85, in his current benefit year that
4 includes such week. For the purposes of this Paragraph, an individual shall be
5 considered to have received all of the regular benefits that were available to him
6 although as a result of a pending appeal with respect to wages or employment,
7 or both, that were not considered in the original monetary determination in his
8 benefit year, he may subsequently be determined to be entitled to added regular
9 benefits.

10 (b) His benefit year having expired prior to such week, has no wages, or
11 has insufficient wages or employment, or both, on the basis of which he could
12 establish a new benefit year that would include such week if both of the
13 following apply:

14 (i) He has no right to unemployment insurance benefits or allowances,
15 as the case may be, under the Railroad Unemployment Insurance Act, 45 U.S.C.
16 §351 et seq., or under such other federal laws as are specified in regulations
17 issued by the United States Secretary of Labor.

18 (ii) He has not received and is not seeking unemployment insurance
19 benefits under the unemployment insurance law of Canada or the Virgin
20 Islands, but if the individual is seeking such benefits and the appropriate agency
21 finally determines that the individual is not entitled to benefits under such law,
22 the individual shall be considered an exhaustee if the other provisions of this
23 definition are met. Provided, that the reference in this Subparagraph to the
24 Virgin Islands shall be inapplicable effective on the day after the day on which
25 the United States Secretary of Labor approves under Section 3304(a) of the
26 Internal Revenue Code of 1954, 26 U.S.C. §3304 (a), an unemployment
27 compensation law submitted to the secretary by the Virgin Islands for approval.

28 B. An individual shall be eligible to receive extended benefits with
29 respect to any week of unemployment in his eligibility period, only if the

1 administrator finds that with respect to such week the following:

2 (1) He is an exhaustee as defined in R.S. 23:1606.

3 (2) He is enrolled and participating in an approved training program as
4 provided in R.S. 23:1602 at the time his regular benefits are exhausted.

5 C. The weekly extended benefit amount payable to an individual for a
6 week of total unemployment in his eligibility period shall be an amount equal
7 to the weekly benefit amount determined pursuant to R.S. 23:1592 payable to
8 him during his benefit year with respect to which he last became an exhaustee.

9 D. The total extended benefit amount payable to any eligible individual
10 with respect to any one benefit year shall be eight times his weekly benefit
11 amount which was payable to him under this Chapter for a week of total
12 unemployment in such benefit year.

13 E. Except when the result would be inconsistent with the provisions of
14 this Section and as provided in the regulation of the administrator, the
15 provisions of this Chapter which apply for, or the payment of, regular benefits
16 shall apply to claims for and the payment of, extended benefits.

17 F. An individual shall not be eligible for extended benefits for any week
18 if the administrator determines that the individual is no longer enrolled or
19 participating in the training program or the individual has completed the
20 training program.

21 Section 2. The Act shall take effect and become operative when the state's average
22 unemployment rate, as defined in R.S. 23:1595, is less than five and one-half percent for two
23 consecutive calendar quarters and the programs authorized by the Coronavirus Aid, Relief,
24 and Economic Security Act of 2020, as amended, have expired.

The original instrument was prepared by Yoursheka George. The following digest, which does not constitute a part of the legislative instrument, was prepared by Michelle D. Ridge.

DIGEST

SB 225 Engrossed 2021 Regular Session Reese

Present law provides relative to the maximum weekly amount of unemployment benefits.

Present law requires the secretary of the La. Workforce Commission (commission) to provide the Revenue Estimating Conference (conference) with certification from the U.S. Treasury of the September first balance of the state unemployment trust fund of the current calendar year. Requires the conference to adopt and report its official projection to the commission no earlier than September fifth and no later than September 30th.

Present law provides that after the conference's adoption of the official projection of the state unemployment trust fund for September first of the next calendar year, the secretary shall determine the comparative balance. The comparative balance is the lesser amount of the balance of the state unemployment trust fund as certified by the U.S. Treasury as of September first in the current calendar year or as projected by the conference for the September first of the next calendar year.

Present law provides that the amount of the comparative balance shall be used by the secretary to determine the applied trust fund balance range, and simultaneously, the maximum weekly benefit.

Proposed law retains present law.

Present law sets the maximum weekly benefit as follows:

- (1) When the applied trust fund balance range is less than \$750,000,000, the maximum weekly benefit amount shall be \$221.
- (2) When the applied trust fund balance range is equal to or greater than \$750,000,000 but less than \$1,150,000,000, the maximum weekly benefit amount shall be \$247.
- (3) When the applied trust fund balance range is equal to or greater than \$1,150,000,000 but less than \$1,400,000,000, the maximum weekly benefit amount shall be \$258.
- (4) When the applied trust fund balance range is greater than \$1,400,000,000, the maximum weekly benefit amount shall be \$284.

Proposed law increases the maximum weekly benefit as follows:

- (1) When the applied trust fund balance range is less than \$750,000,000, the maximum weekly benefit amount shall be \$251.
- (2) When the applied trust fund balance range is equal to or greater than \$750,000,000 but less than \$1,150,000,000, the maximum weekly benefit amount shall be \$277.
- (3) When the applied trust fund balance range is equal to or greater than \$1,150,000,000 but less than \$1,400,000,000, the maximum weekly benefit amount shall be \$290.
- (4) When the applied trust fund balance range is greater than \$1,400,000,000, the maximum weekly benefit amount shall be \$300.

Present law provides that whenever a claimant's base period wages for insured work is not

less than \$1,200, his weekly benefit amount shall be 1/25th of the average of his total wages for insured work paid during the four quarters of his base period and caps the weekly benefit amount paid at \$284.

Proposed law changes formula for the calculation of a claimant's weekly benefit amount to be determined each calendar year based upon the state's average unemployment rate for the third quarter of the previous calendar year.

Proposed law caps the weekly benefit amount paid at \$300.

Proposed law defines "state average unemployment rate" to mean the average of the three months for the most recent third calendar year quarter of the seasonally adjusted unemployment rates as published by the commission, who shall be responsible for collecting and publishing unemployment rate data.

Present law provides that any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to 26 times his weekly benefit amount, as determined by law provided that such total amount of benefits, if not a multiple of one dollar, shall be rounded to the nearest dollar.

Proposed law changes the duration of benefits as follows:

- (1) Any time the states average unemployment rate is at or below 5.5%, any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to 12 times his weekly benefit amount as determined by law.
- (2) In addition to the amount of benefits equal to 12 times his weekly benefit and when the state's average unemployment rate is above 5.5%, any otherwise eligible individual shall be entitled to an additional amount of benefits equivalent to his weekly benefit amount determined by law times the number of .5% increments that the state's average unemployment rate exceeds 5.5%, provided that such total amount of benefits, if not one dollar, shall be rounded to the nearest dollar. Provides that the additional amounts of weekly benefits shall not exceed an amount equivalent to eight times his weekly benefit amount.

Proposed law provides for extended benefits for up to eight weeks for a person who has exhausted their regular benefits and is enrolled and participating in an approved training program. Provides that the weekly extended benefit amount is equal to the person's weekly benefit amount payable to such person during his benefit year. Provides that a person shall be determined ineligible for any extended benefit if he is no longer enrolled or participating in the training program or has completed the program.

Effective when the state's average unemployment rate, as determined by the Louisiana Workforce Commission, is less than 5.5% for two consecutive calendar quarters and the programs authorized by the 2020 Coronavirus Aid, Relief, and Economic Security Act have expired.

(Amends R.S. 23:1474(I), 1592(A) and (E), and 1595; adds R.S. 23:1606)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Labor and Industrial Relations to the original bill

1. Provides for extended benefits for an individual who has exhausted regular unemployment benefits and who is enrolled and participating in an approved training program.

2. Specifies that the weekly benefit amount shall be determined each calendar year based upon the state average unemployment rate.
3. Adds that in addition the unemployment rate reaching a certain percentage for a specified period, the Act will be effective upon the termination of programs authorized in the 2020 Coronavirus Aid, Relief, and Economic Security Act.