

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 594** SLS 14RS 897

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 5, 2014	8:51 AM	Author: CROWE
Dept./Agy.: Workforce Commission		Analyst: Patrice Thomas
Subject: Limits Employer Benefit Accounts from Being Charged		

UNEMPLOYMENT COMP RE NO IMPACT See Note Page 1 of 1
Prohibits an employer benefit account being relieved from payment when the employer failed to timely respond to request for information. (See Act)

In present law, in making determinations of unemployment claims, the Louisiana Workforce Commission (LWC) requires information necessary for timely determination of claims from each employer. If and when a former employee is disqualified from receiving unemployment benefits, present law provides the employer's experience rating account shall not be charged so long as the employer timely filed notice to LWC (time specified in the mailing). Proposed law retains present law but further provides that an employer response is adequate if it provides sufficient facts to enable the LWC to make the correct determination and a response may not be considered inadequate if the LWC failed to ask for all necessary information. If the employer does not timely and adequately respond to LWC information as needed, the proposed law provides that employer's reserve account or reimbursable employer's account shall be charged for benefits relating to an improper benefit payment to a claimant after 10/21/2013. Proposed law brings LWC into conformity with the Federal Trade Adjustment Assistance Extension Act of 2011. Proposed law is retroactively to 10/21/2013.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed legislation requires the Louisiana Workforce Commission (LWC), Office of Unemployment Insurance to reprogram computer systems so that the employer's experience rating account may be issued a charge or non-charge in accordance with this measure. In addition, LWC must update their website to provide disclosing information. The Legislative Fiscal Office anticipates that LWC can implement this measure utilizing existing staff and resources.

Note: The proposed law brings LWC into conformity with the Federal Trade Adjustment Assistance Extension Act of 2011. The LWC has been out of conformity since October 21, 2013, which is why this measure is retroactive.

REVENUE EXPLANATION

There is no anticipated aggregate effect on the Unemployment Insurance (UI) Trust Fund revenues as a result of this measure.

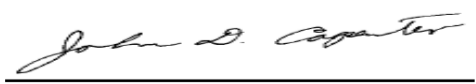
Note: A non-charge may be granted to an employer if a employee voluntarily quits a base period employer without a good work-related cause, was discharged from the base period employer for willful, work-related misconduct, or if the claimant is still working part time for the base period employer. Non-charges that have been granted become part of the calculation of the social charge rate that is shared among all employers. Presently, if no timely protest has been received from the employer, the non-charge is denied.

Examples of when LWC grants a non-charge are below:

Example #1 - For a separating (last) employer, a non-charge is granted if the employee was previously disqualified; or the employee has earned 10X his weekly benefit amount, and has subsequently separated from his last employer under nondisqualifying conditions. The non-charge is granted on disqualifications from a quit, discharge, or refusal of suitable work

Example #2 - For a base period employer, a non-charge is granted if the employer timely protest; LWC has determined that the employee quit without good cause, or was discharged; the employee has earned 10X his weekly benefit amount, and has been separated from his last employer under nondisqualifying conditions.

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|---|--|--------------------------------|--|
| <input type="checkbox"/> Senate | <input type="checkbox"/> Dual Referral Rules | <input type="checkbox"/> House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


John D. Carpenter
Legislative Fiscal Officer