

House Bill 342 (COMMITTEE SUBSTITUTE)

By: Representatives Orrock of the 56th, Smyre of the 136th, Martin of the 47th, Coleman of the 142nd, Turnquest of the 73rd and others

A BILL TO BE ENTITLED
AN ACT

1 To be known as the "Employment Security and Enhancement Act of 2002"; to amend
2 Chapter 8 of Title 34 of the Official Code of Georgia Annotated, relating to employment
3 security, so as to change the provisions relating to the base period and the determination
4 thereof; to change the provisions relating to deductible earnings; to provide for definitions;
5 to change the provisions relating to benefit experience and variations from the standard rate
6 of employer contributions during certain periods; to change the provisions relating to the
7 State-wide Reserve Ratio and reductions in tax rate; to change certain time periods; to change
8 the provisions relating to determination of the weekly benefit amount and weekly allowable
9 earnings; to provide for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 This Act shall be known and may be cited as the "Employment Security and Enhancement
13 Act of 2002."

14 **SECTION 2.**

15 Chapter 8 of Title 34 of the Official Code of Georgia Annotated, relating to employment
16 security, is amended by striking Code Section 34-8-21, relating to the base period, and
17 inserting in lieu thereof the following:

18 "34-8-21.

19 (a) Except as provided in subsection (b) of this Code section, as ~~As~~ used in this chapter,
20 the term 'base period' means the first four of the last five completed calendar quarters
21 immediately preceding the first day of an individual's benefit year; provided, however,
22 that, in the case of a combined wage claim under Code Section 34-8-80, the base period
23 shall be that applicable under the unemployment compensation law of the paying state.

24 (b) If an individual does not have sufficient wages to qualify for benefits under the
25 definition of base period in subsection (a) of this Code section, then his or her base period

1 shall be calculated using the last four completed quarters immediately preceding the first
 2 day of the individual's benefit year. Such base period shall be known as the 'alternative
 3 base period.' Applicants shall receive written notice of the alternative base period.
 4 Implementation of the alternative base period shall commence on January 1, 2003, and
 5 shall conclude and terminate on June 30, 2004. Implementation of the alternative base
 6 period under this subsection shall be under such terms and conditions as the Commissioner
 7 may prescribe by rules and regulations. All benefit payments made under this subsection
 8 shall be paid exclusively from amounts credited to the account of this state in the
 9 Unemployment Trust Fund by the secretary of the treasury of the United States pursuant
 10 to Section 903 of the federal Social Security Act, as amended by the Job Creation and
 11 Worker Assistance Act of 2002 (P.L. 107-147)."

12 SECTION 3.

13 Said chapter is further amended by striking Code Section 34-8-30, relating to deductible
 14 earnings, and inserting in lieu thereof the following:

15 "34-8-30.

16 As used in this chapter, the term 'deductible earnings' means all money in excess of \$30.00
 17 each week earned by a claimant for services performed, whether or not received by such
 18 claimant. For claims filed on or after July 1, 2002, the term 'deductible earnings' means all
 19 money in excess of \$50.00 each week earned by a claimant for services performed, whether
 20 or not received by such claimant. Deductible earnings shall be subtracted from the weekly
 21 benefit amount of the claim."

22 SECTION 4.

23 Said chapter is further amended by striking subsection (f) of Code Section 34-8-155, relating
 24 to benefit experience and variations from standard rate of employer contributions during
 25 certain periods, and inserting in lieu thereof the following:

26 "(f)(1) Subject to the provisions of paragraph (2) of this subsection, contribution rates for
 27 experience rated employers for the time periods:

28 (A) January 1, 2000, to December 31, 2000;

29 (B) January 1, 2001, to December 31, 2001;

30 (C) January 1, 2002, to December 31, 2002; and

31 (D) January 1, 2003, to December 31, 2003; and

32 ~~(E) January 1, 2004, to December 31, 2004~~

33 shall not be imposed above the level of 1.0 percent of statutory contribution rates.

34 ~~(2) In addition to and not in substitution of the provisions of paragraph (4) of subsection~~
 35 ~~(d) of Code Section 34-8-156, if at any time during the five-year time period commencing~~

1 ~~January 1, 2000, and ending December 31, 2004, the State-wide Reserve Ratio equals~~
 2 ~~1.25 or less, the provisions of paragraph (1) of this subsection shall become null and void~~
 3 ~~and of no further purpose or effect for any subsequent time periods identified therein, and~~
 4 ~~provided further, the~~ The Governor shall have authority to suspend by executive order
 5 any future portion of ~~said~~ the reduction in calculated rates ~~as~~ provided for in paragraph
 6 (1) of this subsection in the event the Governor determines, upon the recommendation of
 7 the Commissioner, that suspension of said reduction is in the best interests of the State
 8 of Georgia."

9 SECTION 5.

10 Said chapter is further amended by striking subparagraph (d)(4)(B) of Code Section
 11 34-8-156, relating to the State-wide Reserve Ratio, and inserting in lieu thereof the
 12 following:

13 "(B) Except for any year or portion of a year during which the provisions of paragraph
 14 (1) of subsection (f) of Code Section 34-8-155 apply, when the State-wide Reserve
 15 Ratio, as calculated above, is less than 1.7 percent, there shall be an overall increase in
 16 the rate, as of the computation date, for each employer whose rate is computed under
 17 a rate table in Code Section 34-8-155 in accordance with the following table:

18 If the State-wide Reserve Ratio:

19 Equals or	20 But Is	Overall
<u>Exceeds</u>	<u>Less Than</u>	<u>Increase</u>
21 1.5 percent	1.7 percent	25 percent
22 1.25 percent	1.5 percent	50 percent
23 0.75 percent	1.25 percent	75 percent
24 Under 0.75 percent		100 percent

25 provided, however, that for the period of January 1 through December 31, 2003, the
 26 overall increase in the rate required under this subparagraph shall be suspended and the
 27 provisions of this subparagraph shall be null and void."

28 SECTION 6.

29 Said chapter is further amended by striking Code Section 34-8-193, relating to determination
 30 of the weekly benefit amount, and inserting in its place the following:

31 "34-8-193.

32 (a) The weekly benefit amount of an individual's claim shall be that amount computed by
 33 dividing the two highest quarters of wages paid in the base period by ~~48~~ 46. Any fraction
 34 of a dollar shall then be disregarded. Wages must have been paid in at least two quarters
 35 of the base period and total wages in the base period must equal or exceed 150 percent of

1 the highest quarter base period wages. For claims that fail to establish entitlement due to
2 failure to meet the 150 percent requirement, an alternative computation shall be made. In
3 such event, the weekly benefit amount shall be computed by dividing the highest single
4 quarter of base period wages paid by ~~24~~ 23. Any fraction of a dollar shall then be
5 disregarded. Under this alternative computation, wages must have been paid in at least two
6 quarters of the base period and total base period wages must equal or exceed 40 times the
7 weekly benefit amount. Regardless of the method of computation used, wages must have
8 been paid for insured work, as defined in Code Section 34-8-41.

9 (b) Weekly benefit amount entitlement as computed in this Code section shall be no less
10 than \$27.00 per week for benefit years beginning on or after July 1, 1983; provided,
11 however, that for benefit years beginning on or after July 1, 1987, when the weekly benefit
12 amount, as computed, would be more than \$26.00 but less than \$37.00, the individual's
13 weekly benefit amount will be \$37.00, and no weekly benefit amount shall be established
14 for less than \$37.00; provided, further, that for benefit years beginning on or after July 1,
15 1997, when the weekly benefit amount, as computed, would be more than \$26.00 but less
16 than \$39.00, the individual's weekly benefit amount will be \$39.00, and no weekly benefit
17 amount shall be established for less than \$39.00; provided, further, that for benefit years
18 beginning on or after July 1, 2002, when the weekly benefit amount, as computed, would
19 be more than \$26.00 but less than \$40.00, the individual's weekly benefit amount will be
20 \$40.00, and no weekly benefit amount shall be established for less than \$40.00.

21 (c) Weekly benefit amount entitlement as computed in this Code section shall not exceed
22 these amounts for the applicable time period:

23 (1) For claims filed on or after July 1, 1990, but before July 1, 1994, the maximum
24 weekly benefit amount shall not exceed \$185.00;

25 (2) For claims filed on or after July 1, 1994, but before July 1, 1995, the maximum
26 weekly benefit amount shall not exceed \$195.00;

27 (3) For claims filed on or after July 1, 1995, but before July 1, 1996, the maximum
28 weekly benefit amount shall not exceed \$205.00;

29 (4) For claims filed on or after July 1, 1996, but before July 1, 1997, the maximum
30 weekly benefit amount shall not exceed \$215.00;

31 (5) For claims filed on or after July 1, 1997, but before July 1, 1998, the maximum
32 weekly benefit amount shall not exceed \$224.00;

33 (6) For claims filed on or after July 1, 1998, but before July 1, 1999, the maximum
34 weekly benefit amount shall not exceed \$244.00;

35 (7) For claims filed on or after July 1, 1999, but before July 1, 2000, the maximum
36 weekly benefit amount shall not exceed \$264.00;

37 (8) For claims filed on or after July 1, 2000, but before July 1, 2001, the maximum

1 weekly benefit amount shall not exceed \$274.00; and

2 (9) For claims filed on or after July 1, 2001, but before July 1, 2002, the maximum
3 weekly benefit amount shall not exceed \$284.00;

4 (10) For claims filed on or after July 1, 2002, but before July 1, 2003, the maximum
5 weekly benefit amount shall not exceed \$295.00; and

6 (11) For claims filed on or after July 1, 2003, the maximum weekly benefit amount shall
7 not exceed \$300.00.

8 ~~Provided, however, for the period on or after January 1, 2000, whenever the State-wide~~
9 ~~Reserve Ratio, as defined in Code Section 34-8-156, is 1.25 percent or less, no future~~
10 ~~increase in the weekly benefit amount shall be effective until the State-wide Reserve Ratio~~
11 ~~is over 1.25 percent.~~

12 (d) The maximum benefits payable to an individual in a benefit year shall be the lesser of
13 26 times the weekly benefit amount or one-fourth of the base period wages. If the amount
14 computed is not a multiple of the weekly benefit amount, the total will be adjusted to the
15 nearest multiple of the weekly benefit amount. The duration of benefits shall be extended
16 in accordance with Code Section 34-8-197.

17 (e)(1) An otherwise eligible individual shall be paid the weekly benefit amount, less
18 gross earnings in excess of \$30.00, payable to the individual applicable to the week for
19 which benefits are claimed. Such remaining benefit, if not a multiple of \$1.00, shall be
20 computed to the nearest multiple of \$1.00. Earnings of \$30.00 or less will not affect
21 entitlement to benefits. For the purpose of this subsection, jury duty pay shall not be
22 considered as earnings.

23 (2) For claims filed on or after July 1, 2002, an otherwise eligible individual shall be paid
24 the weekly benefit amount, less gross earnings in excess of \$50.00, payable to the
25 individual applicable to the week for which benefits are claimed. Such remaining benefit,
26 if not a multiple of \$1.00, shall be computed to the nearest multiple of \$1.00. Earnings
27 of \$50.00 or less will not affect entitlement to benefits. For the purpose of this paragraph,
28 jury duty pay shall not be considered as earnings.

29 (f)(1) The amount of unemployment compensation payable to an individual for any week
30 which begins in a period with respect to which such individual is receiving a
31 governmental or other pension, retirement or retired pay, annuity, or any other similar
32 periodic payment which is based on the previous work of such individual shall be reduced
33 by an amount equal to the amount of such pension, retirement or retired pay, annuity, or
34 other payment which is reasonably attributable to such week. Such remaining benefit,
35 if not a multiple of \$1.00, shall be computed to the nearest multiple of \$1.00.

36 (2) The requirements of this subsection shall apply to any pension, retirement or retired
37 pay, annuity, or other similar periodic payment only if:

1 (A) Such pension, retirement or retired pay, annuity, or similar payment is under a plan
2 maintained or contributed to by a base-period employer or chargeable employer as
3 determined under applicable law; and

4 (B) Payments for services performed for such employer by the individual after the
5 beginning of the base period affect eligibility for or increase the amount of such
6 pension, retirement or retired pay, annuity, or similar payment, except in the case of
7 pensions paid under the federal Social Security Act, the Railroad Retirement Act of
8 1974, or the corresponding provisions of prior law.

9 (3) The Commissioner shall take into consideration the amount contributed by the
10 individual for the pension, retirement or retired pay, annuity, or other similar periodic
11 payment and shall limit such reduction based on the percent share contributed by such
12 individual. An individual who, while working, contributed 50 percent or more toward
13 such plan shall not be subject to a reduction in the weekly benefit amount of the claim.

14 (g) Between the filing of one benefit year claim and the filing of another benefit year
15 claim, an individual must have performed services in bona fide employment and earned
16 insured wages for such services. These wages for insured work must equal or exceed ten
17 times the weekly benefit amount of the new claim in order to establish entitlement.

18 (h) The wage credits and benefit rights of persons who entered the armed services of the
19 United States during a national emergency are preserved for the period of their actual
20 service and six months thereafter in accordance with regulations of the Commissioner."

21 **SECTION 7.**

22 All laws and parts of laws in conflict with this Act are repealed.