

The House Committee on Industrial Relations offers the following substitute to HB 292:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 34 of the Official Code of Georgia Annotated, relating to
2 employment security, so as to extend certain contribution rates and credits; to change certain
3 provisions relating to benefit experience; to extend suspension of adjustments based upon the
4 State-wide Reserve Ratio for the calendar year 2012; to provide for an increase in the overall
5 rate; to continue provisions relating to administrative assessments; to extend the provision
6 relating to automatic repeal; to provide for related matters; to provide an effective date; to
7 repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Chapter 8 of Title 34 of the Official Code of Georgia Annotated, relating to employment
11 security, is amended by revising Code Section 34-8-151, relating to the rate of employer
12 contributions, as follows:

13 "34-8-151.

14 (a) For periods prior to April 1, 1987, or after December 31, ~~2011~~ 2016, each new or
15 newly covered employer shall pay contributions at a rate of 2.7 percent of wages paid by
16 such employer with respect to employment during each calendar year until the employer
17 is eligible for a rate calculation based on experience as defined in this chapter, except as
18 provided in Code Sections 34-8-158 through 34-8-162.

19 (b) For periods on or after April 1, 1987, but on or before December 31, 1999, each new
20 or newly covered employer shall pay contributions at a rate of 2.64 percent of wages paid
21 by such employer with respect to employment during each calendar year until the employer
22 is eligible for a rate calculation based on experience as defined in this chapter, except as
23 provided in Code Sections 34-8-158 through 34-8-162.

24 (c) For periods on or after January 1, 2000, but on or before December 31, ~~2011~~ 2016,
25 each new or newly covered employer shall pay contributions at a rate of 2.62 percent of
26 wages paid by such employer with respect to employment during each calendar year until

27 the employer is eligible for a rate calculation based on experience as defined in this
 28 chapter, except as provided in Code Sections 34-8-158, ~~34-8-159, 34-8-160, 34-8-161, and~~
 29 through 34-8-162."

30 **SECTION 2.**

31 Said chapter is further amended by revising the introductory language to subsections (c) and
 32 (e) of Code Section 34-8-155, relating to benefit experience, as follows:

33 "(c) For the periods prior to April 1, 1987, or after December 31, ~~2011~~ 2016, variations
 34 from the standard rate of contributions shall be determined in accordance with the
 35 following requirements:"

36 "(e) For the periods on or after January 1, 2000, but on or before December 31, ~~2011~~ 2016,
 37 variations from the standard rate of contributions shall be determined in accordance with
 38 the following requirements:"

39 **SECTION 3.**

40 Said chapter is further amended by revising subparagraph (d)(4)(B) of Code Section
 41 34-8-156, relating to the State-wide Reserve Ratio, as follows:

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

48 If the State-wide Reserve Ratio:

49	Equals or	But Is	Overall
50	<u>Exceeds</u>	<u>Less Than</u>	<u>Increase</u>
51	1.5 percent	1.7 percent	25 percent
52	1.25 percent	1.5 percent	50 percent
53	0.75 percent	1.25 percent	75 percent
54	Under 0.75 percent		100 percent

55 provided, however, that for the periods of January 1 through December 31, 2004;
 56 January 1 through December 31, 2005; and January 1 through December 31, 2006, the
 57 overall increase in the rate required under this subparagraph shall be suspended and the
 58 provisions of this subparagraph shall be null and void, except in the event the
 59 State-wide Reserve Ratio, as calculated above, is less than 1.00 percent on the
 60 computation date with respect to rates applicable to calendar year 2004, 2005, or 2006,

61 then for each such year the Commissioner of Labor shall have the option of imposing
 62 an increase in the overall rate of up to 35 percent, as of the computation date, for each
 63 employer whose rate is computed under a rate table in Code Section 34-8-155; and
 64 provided, further, that for the periods of January 1 through December 31, 2007, January
 65 1 through December 31, 2008, January 1 through December 31, 2009, January 1
 66 through December 31, 2010, ~~and~~ January 1 through December 31, 2011, and January
 67 1 through December 31, 2012, the overall increase in the rate required under this
 68 subparagraph shall be suspended and the provisions of this subparagraph shall be null
 69 and void, except in the event the State-wide Reserve Ratio, as calculated above, is less
 70 than 1.25 percent on the computation date with respect to rates applicable to calendar
 71 year 2007, 2008, 2009, 2010, ~~or~~ 2011, or 2012, then for each such year the
 72 Commissioner of Labor shall have the option of imposing an increase in the overall rate
 73 of up to ~~35~~50 percent, as of the computation date, for each employer whose rate is
 74 computed under a rate table in Code Section 34-8-155."

75 **SECTION 4.**

76 Said chapter is further amended by revising subsection (b) of Code Section 34-8-180, relating
 77 to an administrative assessment on all wages, as follows:

78 "(b) For the periods on or after January 1, 2000, but on or before December 31, ~~2011~~ 2016,
 79 there is created an administrative assessment of 0.08 percent to be assessed upon all wages
 80 as defined in Code Section 34-8-49, except the wages of:

81 (1) Those employers who have elected to make payments in lieu of contributions as
 82 provided by Code Section 34-8-158 or who are liable for the payment of contributions
 83 as provided in said Code section; or

84 (2) Those employers who, by application of the State-wide Reserve Ratio as provided
 85 in Code Section 34-8-156, have been assigned the minimum positive reserve rate or the
 86 maximum deficit reserve rate."

87 **SECTION 5.**

88 Said chapter is further amended by revising subsection (b) of Code Section 34-8-181, relating
 89 to an additional administrative assessment for new or newly covered employers, as follows:

90 "(b) For the periods on or after January 1, 2000, but on or before December 31, ~~2011~~ 2016,
 91 in addition to the rate paid under Code Section 34-8-151, each new or newly covered
 92 employer shall pay an administrative assessment of 0.08 percent of wages payable by it
 93 with respect to employment during each calendar year until it is eligible for a rate
 94 calculation based on experience as defined in this chapter, except as provided in Code
 95 Section 34-8-158."

96 **SECTION 6.**

97 Said chapter is further amended by revising Code Section 34-8-185, relating to the automatic
98 repeal of Article 6, as follows:

99 "34-8-185.

100 This article shall stand repealed in its entirety on December 31, ~~2011~~ 2016."

101 **SECTION 7.**

102 This Act shall become effective upon its approval by the Governor or upon its becoming law
103 without such approval.

104 **SECTION 8.**

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