

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 646

S.P. 224

In Senate, January 26, 1999

### An Act to Reform the Unemployment Compensation System.

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Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator MILLS of Somerset.

Be it enacted by the People of the State of Maine as follows:

2  
4       **Sec. 1. 26 MRSA §1043, sub-§19, ¶A**, as amended by PL 1983, c. 13, §2, is further amended to read:

6       A. For purposes of section 1221, the term "wages" shall  
8       does not include ~~that part of remuneration which after~~  
10       remuneration ~~equal to~~ that exceeds the first \$3,000 through  
12       December 31, 1971, \$4,200 through December 31, 1977, \$6,000  
14       through December 31, 1982, \$7,000 through December 31, 1999  
16       and on and after January 1, 1983, ~~that part of remuneration~~  
18       ~~equal to \$7,000 has been~~ 2000, \$12,000 that is paid in a  
20       calendar year to an individual by an employer or his ~~the~~  
22       employer's predecessor with respect to for employment during  
24       any calendar year, ~~is paid to the individual by the employer~~  
      ~~during that calendar year~~, unless that ~~part of the~~  
      remuneration is subject to a tax under a federal law  
      imposing a tax against which credit may be taken for  
      contributions required to be paid into a state unemployment  
      fund. The wages of an individual for employment with an  
      employer ~~shall be~~ are subject to this exception whether  
      earned in this State or any other state when the  
      employer-employee relationship is between the same legal  
      entities;

26       **Sec. 2. 26 MRSA §1191, sub-§2**, as amended by PL 1997, c. 745,  
28       §1, is further amended to read:

30       **2. Weekly benefit amount for total unemployment.** Each  
32       eligible individual establishing a benefit year on or after  
34       October 1, 1983 who is totally unemployed in any week must be  
36       paid with respect to that week benefits equal to 1/22 of the  
38       average of the wages, rounded to the nearest lower full dollar  
40       amount, paid to that individual in the ~~high quarter~~ 2 highest  
42       quarters of the base period, but not less than \$12. The maximum  
44       weekly benefit amount for claimants requesting insured status  
46       determination beginning October 1, 1983 and thereafter from June  
48       1st of a calendar year to May 31st of the next calendar year may  
50       not exceed ~~52%~~ 50% of the annual average weekly wage, rounded to  
      the nearest lower full dollar amount, paid in the calendar year  
      preceding June 1st of that calendar year. No increase in the  
      maximum weekly benefit amount may occur for the period from June  
      1, 1992 to October 28, 1995. For the periods from October 29,  
      1995 to May 31, 1997 and from September 28, 1997 to December 31,  
      1999, the maximum weekly benefit amount is limited to 94% of the  
      amount calculated previously in this subsection, rounded to the  
      nearest lower full dollar amount. For claimants requesting  
      insured status determination on or after April 1, 1993 and before  
      January 1, 1995, the weekly benefit amount must be the amount  
      determined by this subsection minus \$6. For claimants requesting

insured status determination on or after April 1, 1995 and before  
2 January 1, 2000, the weekly benefit amount must be the amount  
determined by this subsection minus \$3.

4  
6 **Sec. 3. 26 MRSA §1192, sub-§1**, as amended by PL 1975, c. 344,  
§1, is further amended to read:

8 1. **Has claim for benefits.** He The individual has made a  
claim for benefits ~~with-respect-to-such~~ for all or part of the  
10 ~~week or-part-thereof~~ in accordance with ~~sueh~~ any regulations as  
the commission may prescribe;

12  
14 **Sec. 4. 26 MRSA §1192, sub-§2**, as repealed and replaced by PL  
1975, c. 25, is amended to read:

16 2. **Has registered for work.** He The individual has  
registered for work at, and thereafter continued to report at, an  
18 employment office in accordance with ~~sueh~~ any regulations as the  
commission may prescribe, except that the commission may, by  
20 regulation, waive or alter either or both of the requirements of  
this subsection ~~as-to~~ for individuals attached to regular jobs  
22 and ~~as-to-sueh~~ in other types of cases or situations with respect  
to which it finds that compliance with ~~sueh~~ the requirements  
24 would be oppressive, or would be inconsistent with the purposes  
of this chapter. ~~No-sueh~~ A regulation ~~shall~~ may not conflict with  
26 section 1191, subsection 1;

28 **Sec. 5. 26 MRSA §1192, sub-§3**, as repealed and replaced by PL  
1983, c. 816, Pt. A, §22, is amended to read:

30  
32 3. **Is able and available for work.** He The individual is  
able to work and; is available for full-time work at ~~his~~ the  
individual's usual or customary trade, occupation, profession or  
34 business or in ~~sueh-ether~~ another trade, occupation, profession  
or business for which ~~his~~ the individual's prior training or  
36 experience shows ~~him~~ the individual to be fitted or qualified;  
and in addition to having complied with subsection 2 is ~~himself~~  
38 actively seeking work in accordance with the ~~regulations~~ rules of  
the commission; ~~provided that no-ineligibility.~~ Ineligibility  
40 may not be found solely because the claimant is unable to accept  
employment on a shift, the greater part of which falls between  
42 the hours of midnight to 5 a.m., and is unavailable for that  
employment because of parental obligation, the need to care for  
44 an immediate family member, or, if the unemployed individual is a  
handicapped person, the unavailability of a personal care  
46 attendant required to assist the unemployed individual ~~who-is-a~~  
~~handicapped--person;--and--provided--that--an.~~ An unemployed  
48 individual who is neither able nor available for work due to good  
cause as determined by the deputy ~~shall-be~~ is eligible to receive

2 prorated benefits for that portion of the week during which he  
3 the individual was able and available;

4 **Sec. 6. 26 MRSA §1192, sub-§4-A**, as enacted by PL 1981, c.  
5 220, is amended to read:

6 **4-A. Has served a waiting period.** For each eligible  
7 individual establishing a benefit year on or after May 10, 1981,  
8 he the individual has served a waiting period of one week of  
9 total or partial unemployment. No week may be counted as a week  
10 of total or partial unemployment for the purpose of this  
11 subsection:

12 A. If benefits have been paid ~~with-respect-to~~ for that week;

13 B. Unless it occurs within the benefit year which that  
14 includes the week with--~~respect--to~~ for which he the  
15 individual claims payment of benefits; and

16 C. Unless the individual was eligible for benefits with  
17 ~~respect-to~~ for that week, as provided in this section and  
18 section 1193, except for the requirements of this subsection;

19 **Sec. 7. 26 MRSA §1192, sub-§6-A**, as enacted by PL 1981, c.  
20 548, §2, is amended to read:

21 **6-A. Prohibition against disqualification of individuals in**  
22 **approved training under the United States Trade Act of 1974.**  
23 Notwithstanding any other provisions of this chapter, ~~no~~ an  
24 otherwise eligible individual may not be denied benefits for any  
25 week because he the individual is in training approved under the  
26 United States Trade Act of 1974, Section 236 (a) (1), nor may  
27 that individual be denied benefits by reason of leaving work to  
28 enter that training, provided the work left is not suitable  
29 employment, or because of the application to any such week in  
30 training of provisions in this chapter, or any applicable federal  
31 unemployment compensation law, relating to availability for work,  
32 active search for work or refusal to accept work. Benefits paid  
33 to any eligible claimant while in such training for which, except  
34 for this subsection, the claimant could be disqualified under  
35 section 1193, subsection 1 or 3, ~~shall~~ may not be charged against  
36 the experience rating record of any employer but ~~shall~~ must be  
37 charged to the General Fund.

38 For purposes of this subsection, the term "suitable employment"  
39 means with respect to an individual, work of a substantially  
40 equal or higher skill level than the individual's past adversely  
41 affected employment, as defined for purposes of the United States  
42 Trade Act of 1974, and wages for such work at not less than 80%

of the individual's average weekly wage as determined for the purposes of the United States Trade Act of 1974.

**Sec. 8. 26 MRSA §1192, sub-§8,** as enacted by PL 1971, c. 538, §27, is amended to read:

**8. No denial or reduction of benefits.** Benefits shall ~~may~~ not be denied or reduced to an individual solely because he the individual files a claim in another state, or a contiguous country with which the United States has an agreement with respect to unemployment compensation, or because he the individual resides in another state or contiguous country at the time he the individual files a claim for benefits.

**Sec. 9. 26 MRSA §1192, sub-§9,** as enacted by PL 1975, c. 448, is amended to read:

**9. No denial of benefits for jury service.** Benefits shall ~~may~~ not be denied to an individual solely because he the individual is selected to serve as a juror. Individuals, who receive actual earnings for jury service, ~~shall~~ **must** be paid a partial benefit in an amount equal to ~~his~~ the individual's weekly benefit amount less ~~that~~ the amount earned for jury service.

**Sec. 10. 26 MRSA §1195, sub-§1, ¶A,** as amended by PL 1979, c. 515, §17, is further amended to read:

A. ~~Exhaustee.~~ "Exhaustee" means an individual who, with respect ~~to~~ for any week of unemployment in his the individual's eligibility period:

(1) Has received, prior to such week, all of the regular benefits that were available ~~to him~~ under this chapter or any other state law, including dependents' allowances and benefits payable to federal civilian employees and ex-servicemen under 5 U.S.C. Chapter 85, in his the individual's current benefit year that includes such week, ~~provided that for.~~ For the purposes of this paragraph, an individual ~~shall be~~ is deemed to have received all of the regular benefits that were available ~~to him although even though,~~ as a result of a pending appeal with respect to wages or employment, or both, that were not considered in the original monetary determination in his the individual's benefit year, he the individual may subsequently be determined to be entitled to added regular benefits, or ~~he may be entitled to regular benefits with respect to~~ for future weeks of unemployment, but such benefits are not payable ~~with respect to~~ for such week of unemployment by reason of section 1251;

2 (2) ~~His~~ The individual's benefit year having expired  
4 prior to such week, has no or insufficient wages or  
6 employment, or both, to establish a new benefit year  
8 or, subsequent to December 31, 1971, he does not  
10 qualify by having sufficient wages or employment, or  
12 both, as provided by section 1192, subsection 5, since  
14 the beginning of ~~his~~ the individual's prior benefit  
16 year; and

18 (3) Has no right to unemployment benefits or  
20 allowances, as the case may be, under the Railroad  
22 Unemployment Insurance Act, or under ~~such~~ other federal  
24 laws ~~as--are~~ specified in regulations issued by the  
United States Secretary of Labor, and has not received  
and is not seeking unemployment benefits under the  
unemployment compensation law of Canada, ~~but-if-he,~~ If  
the individual is seeking such benefits and the  
appropriate agency finally determines that he the  
individual is not entitled to benefits under ~~such~~ the  
pertinent law ~~he-shall-be,~~ the individual is considered  
an exhaustee if the other provisions of this definition  
are met.

26 **Sec. 11. 26 MRSA §1221, sub-§4-A** is enacted to read:

28 **4-A. Employer's experience classifications after January 1,**  
**2000.** For rate years commencing on or after January 1, 2000, the  
commissioner shall compute annually contribution rates for each  
employer based on the employer's own experience rating record and  
shall designate a schedule and planned yield.

32 A. The standard rate of contributions is 5.4%. A  
contributing employer's rate may not be varied from the  
standard rate, unless the employer's experience rating  
record has been chargeable with benefits throughout the  
24-consecutive-calendar-month period ending on the  
computation date applicable to such a year. A contributing  
employer newly subject to this chapter shall pay  
contributions at a rate equal to the predetermined yield  
until the employer's experience rating record has been  
chargeable with benefits throughout the  
24-consecutive-calendar-month period ending on the  
computation date applicable to such a year. For rate years  
thereafter, the employer's contribution rate is determined  
in accordance with this subsection and subsection 3.

48 B. Subject to paragraph A, an employer's contribution rate  
for the 12-month period commencing January 1st of each year  
is based upon the employer's experience rating record and

2 determined from the employer's reserve ratio. The  
3 employer's reserve ratio is the percent obtained by dividing  
4 the amount, if any, by which the employer's contributions,  
5 credited from the time the employer first or most recently  
6 became an employer, whichever date is later, up to and  
7 including June 30th of the preceding year, including any  
8 part of the employer's contributions due for that year paid  
9 on or before July 31st of that year, exceed the employer's  
10 benefits charged during the same period, by the employer's  
11 average annual payroll for the 36-consecutive-month period  
12 ending June 30th of the preceding year. The employer's  
13 contribution rate is determined under subparagraphs (1) to  
14 (7).

15 (1) The commissioner shall prepare a schedule listing  
16 all employers for whom a reserve ratio has been  
17 computed pursuant to this paragraph, in the order of  
18 their reserve ratios, beginning with the highest  
19 ratio. For each employer, the schedule must show:

- 20 (a) The amount of the employer's reserve ratio;
- 21
- 22 (b) The amount of the employer's annual taxable
- 23 payroll; and
- 24
- 25 (c) A cumulative total consisting of the amount
- 26 of the employer's annual taxable payroll plus the
- 27 amount of the annual taxable payrolls of all other
- 28 employers preceding the employer on the list.
- 29

30 (2) The commissioner shall segregate employers into  
31 contribution categories in accordance with the  
32 cumulative totals under subparagraph (1), division  
33 (c). The contribution category is determined by the  
34 cumulative payroll percentage limits in column B. Each  
35 contribution category is identified by the contribution  
36 category number in column A that is opposite the  
37 figures in column B, which represent the percentage  
38 limits of each contribution category. If an employer's  
39 taxable payroll falls in more than one contribution  
40 category, the employer must be assigned to the  
41 lower-numbered contribution category, except that an  
42 employer may not be assigned to a higher contribution  
43 category than is assigned any other employer with the  
44 same reserve ratio.

|  | A            | B                     |    | C          |
|--|--------------|-----------------------|----|------------|
|  | Contribution | % of Taxable Payrolls |    | Experience |
|  | Category     | From                  | To | Factors    |

|    |           |              |               |             |
|----|-----------|--------------|---------------|-------------|
|    | <u>1</u>  | <u>00.00</u> | <u>05.00</u>  | <u>.30</u>  |
| 2  | <u>2</u>  | <u>05.01</u> | <u>10.00</u>  | <u>.35</u>  |
|    | <u>3</u>  | <u>10.01</u> | <u>15.00</u>  | <u>.40</u>  |
| 4  | <u>4</u>  | <u>15.01</u> | <u>20.00</u>  | <u>.45</u>  |
|    | <u>5</u>  | <u>20.01</u> | <u>25.00</u>  | <u>.50</u>  |
| 6  | <u>6</u>  | <u>25.01</u> | <u>30.00</u>  | <u>.55</u>  |
|    | <u>7</u>  | <u>30.01</u> | <u>35.00</u>  | <u>.60</u>  |
| 8  | <u>8</u>  | <u>35.01</u> | <u>40.00</u>  | <u>.65</u>  |
|    | <u>9</u>  | <u>40.01</u> | <u>45.00</u>  | <u>.70</u>  |
| 10 | <u>10</u> | <u>45.01</u> | <u>50.00</u>  | <u>.75</u>  |
|    | <u>11</u> | <u>50.01</u> | <u>55.00</u>  | <u>.85</u>  |
| 12 | <u>12</u> | <u>55.01</u> | <u>60.00</u>  | <u>.95</u>  |
|    | <u>13</u> | <u>60.01</u> | <u>65.00</u>  | <u>1.05</u> |
| 14 | <u>14</u> | <u>65.01</u> | <u>70.00</u>  | <u>1.20</u> |
|    | <u>15</u> | <u>70.01</u> | <u>75.00</u>  | <u>1.35</u> |
| 16 | <u>16</u> | <u>75.01</u> | <u>80.00</u>  | <u>1.50</u> |
|    | <u>17</u> | <u>80.01</u> | <u>85.00</u>  | <u>1.65</u> |
| 18 | <u>18</u> | <u>85.01</u> | <u>90.00</u>  | <u>1.85</u> |
|    | <u>19</u> | <u>90.01</u> | <u>95.00</u>  | <u>2.05</u> |
| 20 | <u>20</u> | <u>95.01</u> | <u>100.00</u> | <u>2.30</u> |

22 (3) The commissioner shall compute a reserve multiple  
24 to determine the schedule and planned yield in effect  
26 for a rate year. The reserve multiple is determined by  
28 dividing the fund reserve ratio by the average benefit  
30 cost rate. The determination date is October 31st of  
32 each calendar year. The schedule and planned yield  
34 that apply for the 12-month period commencing every  
36 January 1st are shown on the line of the following  
38 table that corresponds with the applicable reserve  
40 multiple in column A except that Schedule A must be in  
42 effect for the 12-month period commencing January 1,  
44 2000.

|    | <u>A</u>             | <u>B</u>        | <u>C</u>       |
|----|----------------------|-----------------|----------------|
|    | <u>Reserve</u>       | <u>Schedule</u> | <u>Planned</u> |
|    | <u>Multiple</u>      |                 | <u>Yield</u>   |
| 38 | <u>1.50 and Over</u> | <u>A</u>        | <u>0.8%</u>    |
| 40 | <u>1.25 - 1.49</u>   | <u>B</u>        | <u>1.0%</u>    |
|    | <u>1.00 - 1.24</u>   | <u>C</u>        | <u>1.2%</u>    |
| 42 | <u>.75 - .99</u>     | <u>D</u>        | <u>1.4%</u>    |
|    | <u>.50 - .74</u>     | <u>E</u>        | <u>1.6%</u>    |
| 44 | <u>Under .50</u>     | <u>F</u>        | <u>1.8%</u>    |

46 (4) The commissioner shall compute the predetermined  
48 yield by multiplying the ratio of total wages to  
taxable wages for the 12-month period ending the  
preceding June 30th by the planned yield. For the rate

2 year beginning January 1, 2000, the commissioner shall  
3 adjust the predetermined yield so that revenue to the  
4 fund is approximately the same as it would have been  
5 without the reduction in the percentage used to  
6 calculate the maximum weekly benefit from 52 to 50 and  
7 without the change in wages used to calculate the  
8 weekly benefit from the highest quarter to the average  
9 of the 2 highest quarters.

10 (5) The commissioner shall determine the contribution  
11 rates effective for a rate year by multiplying the  
12 predetermined yield by the experience factors for each  
13 contribution category. Contribution category 20 in the  
14 table in subparagraph (2) must be assigned a  
15 contribution rate of at least 5.4%. The employer's  
16 experience factor is the percent shown in column C in  
17 the table in subparagraph (2) that corresponds with the  
18 employer's contribution category in column A.

19 (6) If, subsequent to the assignment of contribution  
20 rates for a rate year, the reserve ratio of an employer  
21 is recomputed and changed, the employer must be placed  
22 in the position on the schedule prepared pursuant to  
23 subparagraph (1) that the employer would have occupied  
24 had the corrected reserve ratio been shown on the  
25 schedule. The altered position on the schedule does  
26 not affect the position of any other employer.

27 (7) In computing the contribution rates, only the  
28 wages reported by employers liable for payment of  
29 contributions into the fund and net benefits paid that  
30 are charged to an employer's experience rating record  
31 or to the fund are considered in the computation of the  
32 average benefit cost rate and the ratio of total wages  
33 to taxable wages.

34 C. The commissioner shall:

35 (1) Promptly notify each employer of the employer's  
36 rate of contributions as determined for the 12-month  
37 period commencing January 1st of each year. The  
38 determination is conclusive and binding upon the  
39 employer unless within 30 days after notice of the  
40 determination is mailed to the employer's last known  
41 address or, in the absence of mailing, within 30 days  
42 after the delivery of the notice, the employer files an  
43 application for review and redetermination, setting  
44 forth the employer's reasons. If the commission grants  
45 the review, the employer must be promptly notified and  
46 must be granted an opportunity for a hearing. An  
47 employer who is not promptly notified and granted an  
48 opportunity for a hearing shall be deemed to have  
49 waived the right to a hearing.

2 employer does not have standing in any proceedings  
3 involving the employer's rate of contributions or  
4 contribution liability to contest the chargeability to  
5 the employer's experience rating record of any benefits  
6 paid in accordance with a determination,  
7 redetermination or decision pursuant to section 1194,  
8 except upon the ground that the services for which  
9 benefits were found to be chargeable did not constitute  
10 services performed in employment for the employer and  
11 only when the employer was not a party to the  
12 determination, redetermination or decision or to any  
13 other proceedings under this chapter in which the  
14 character of the services was determined. The employer  
15 must be promptly notified of the commission's denial of  
16 the employer's application or the commission's  
17 redetermination, both of which are subject to appeal  
18 pursuant to Title 5, chapter 375, subchapter VII; and

19  
20 (2) Provide each employer at least monthly with a  
21 notification of benefits paid and chargeable to the  
22 employer's experience rating record. In the absence of  
23 an application for redetermination filed in the manner  
24 and within the period prescribed by the commission, a  
25 notification is conclusive and binding upon the  
26 employer for all purposes. A redetermination made  
27 after notice and opportunity for hearing and the  
28 commission's findings of fact may be introduced in  
29 subsequent administrative or judicial proceedings  
30 involving the determination of the rate of  
31 contributions of an employer for the 12-month period  
32 commencing January 1st of any year and is entitled to  
33 the same finality as is provided in this section with  
34 respect to the findings of fact made by the commission  
35 in proceedings to redetermine the contribution rates of  
36 an employer.

37 **Sec. 12. 26 MRSA §1221, sub-§6,** as amended by PL 1985, c. 348,  
38 §11, is further amended to read:

39 **6. Definitions.** The following words ~~terms~~, as used in this  
40 section, shall have the following meanings, unless the context  
41 already-requires otherwise indicates.

42  
43 A. "Computation date" shall--be means June 30th of each  
44 calendar year, and the reserve ratio of each employer  
45 entitled--to--this--section--shall--be is determined by the  
46 commissioner as of that date.  
47  
48

- 2 B. "Effective date" ~~shall-be~~ means the date on which the  
 4 new rates ~~shall~~ become effective and ~~shall-be~~ is January 1st  
 of each calendar year.
- 6 C. "Fund reserve ratio" means the percentage obtained by  
 8 dividing the net balance available for benefits payments as  
 of September 30th of each calendar year by the total wages  
 for the preceding calendar year.
- 10 D. "Cost rate" means the percentage obtained by dividing  
 12 net benefits paid for a calendar year by the total wages for  
 the same period.
- 14 E. "Net balance available for benefit payments" means the  
 16 sum of the balance in the trust fund, the benefit fund, and  
 the clearing account after adjustment for outstanding  
 18 checks, and adjustment for funds in transit between either  
 of ~~said~~ the funds or ~~said~~ the account.
- 20 F. "Rate year" ~~shall--be~~ means the 12-month period  
 22 commencing January 1st of each year.
- 24 G. "Reserve multiple" is means a measure of the fund  
 26 reserve ~~which that~~ expresses the current fund reserve ratio  
 as a multiple of the composite cost rate. The reserve  
 28 multiple ~~shall must~~ be rounded to 2 decimal places. For  
rate years that begin on and after January 1, 2000, the  
"reserve multiple" is a measure of the fund reserve that  
expresses the current fund reserve ratio as a multiple of  
 30 the average benefit cost rate.
- 32 H. "Total wages" means the aggregate total wages paid in  
 34 Maine for a calendar year in covered employment by  
 contributing employers, as reported on employer contribution  
 reports.
- 36 I. "Composite ~~Cost--Rate~~ cost rate" means the arithmetic  
 38 average of the annual cost rates for the last 15 completed  
 40 calendar years multiplied by a factor of 1.95; either the  
 42 resulting composite rate ~~shall-apply~~ applies for the reserve  
 multiple calculation or the rate of 2.20, whichever is  
 44 greater; but in no case ~~will may~~ a composite cost rate  
 higher than 2.83 apply.
- 46 J. "Average benefit cost rate" means the percentage  
obtained by averaging the 3 highest cost rates for the last  
20 completed calendar years preceding the computation date.  
 48 The rate is rounded down to the nearest 0.1%.

2 K. "Planned yield" means the percentage of total wages  
4 determined by the reserve multiple for the rate year in  
accordance with the table in subsection 4-A, paragraph B,  
subparagraph (3).

6 L. "Ratio of total wages to taxable wages" means the factor  
8 obtained by dividing total wages for the 12-month period  
ending June 30th by taxable wages for the same period.

10 M. "Predetermined yield" means the amount determined by  
12 multiplying the ratio of total wages to taxable wages by the  
planned yield. The predetermined yield is rounded up to the  
14 nearest 0.01% and is the calculated average contribution  
rate for the rate year.

16 N. "Experience factors" means the weights in subsection  
18 4-A, paragraph B, subparagraph (2) assigned to the  
contribution categories and used to calculate the  
20 contribution rates.

22 O. "Contributions credited" means the contributions  
24 credited to the experience rating record of an employer as  
provided in subsection 3, including all contributions due  
26 and paid on or before July 31st following the computation  
date.

28 P. "Benefits charged" means the benefits paid and charged  
30 against the experience rating record of an employer as  
provided in subsection 3, including all benefits paid and  
charged on or before the computation date.

32  
34

## SUMMARY

36 This bill makes several changes in the state unemployment  
38 compensation laws to improve the solvency of the unemployment  
40 compensation fund. It raises the taxable wage base from \$7,000  
42 to \$12,000. It lowers the cap on benefits from 52% of the annual  
average weekly wage to 50% of the annual average weekly wage and  
provides that the benefit amount is 1/22 of the average of the 2  
highest quarters rather than 1/22 of the highest quarter. It  
replaces the current tax table with an array system to determine  
the tax rate that an employer pays.