

Senate Bill 1569

Sponsored by Senator BOQUIST; Senator WHITSETT, Representatives HICKS, WEIDNER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows certain unemployment insurance benefits claimants to accept certain work and receive benefits equal to difference between wages and benefit amount during first 18 weeks of benefit period. Authorizes disqualification of certain claimants who refuse this work during final eight weeks of benefit period.

Establishes Oregon Unemployment Insurance Program Integrity Fund and diverts to fund 0.03 percent of covered wages paid during first quarter of even-numbered years for purposes of determining and improving program integrity.

Requires Director of the Employment Department to seek waiver from Secretary of the United States Department of Labor for any provisions of Act that do not conform to requirements of federal law.

Requires director to submit report to Legislative Assembly regarding status and effectiveness of provisions of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to unemployment insurance; appropriating money; and prescribing an effective date.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1. Sections 2 to 4 of this 2012 Act are added to and made a part of ORS chapter**
4 **657.**

5 **SECTION 2. (1) This section applies to a claimant whose regular benefits for one week**
6 **as determined under ORS 657.150 exceed the amount equal to the minimum wage multiplied**
7 **by 32 hours.**

8 **(2)(a) Notwithstanding ORS 657.155, during the first 18 weeks of benefits paid in the**
9 **claimant's benefit year, a claimant described in subsection (1) of this section who is other-**
10 **wise eligible for unemployment insurance benefits may not be denied benefits because the**
11 **claimant accepts work that pays weekly an amount at least equal to the minimum wage**
12 **multiplied by 32 hours.**

13 **(b) Notwithstanding ORS 657.150, for the 18-week period described in paragraph (a) of this**
14 **subsection, the weekly benefit amount of a claimant who accepts work pursuant to para-**
15 **graph (a) of this subsection shall equal any positive amount obtained by subtracting the**
16 **weekly gross amount earned by the claimant from the claimant's weekly benefits as other-**
17 **wise determined under this chapter.**

18 **(c) This subsection applies only if job training for the position for which the claimant is**
19 **hired is offered as an integral part of the position.**

20 **(3)(a) Notwithstanding ORS 657.155, during the period beginning with the 19th week and**
21 **ending with the 26th week of benefits paid in the claimant's benefit year, a claimant de-**
22 **scribed in subsection (1) of this section who refuses offered work that pays weekly an**
23 **amount at least equal to the minimum wage multiplied by 32 hours may be disqualified from**
24 **benefits under ORS 657.176 (2)(e). For purposes of determining whether the claimant is dis-**
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NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 qualified under ORS 657.176 (2)(e), the offered work may not be deemed unsuitable based on
 2 the claimant's prior training, experience or prior earnings.

3 (b) Notwithstanding ORS 657.150, for the eight-week period described in paragraph (a) of
 4 this subsection, the weekly benefit amount of a claimant who accepts work described in
 5 paragraph (a) of this subsection shall equal any positive amount obtained by subtracting the
 6 weekly gross amount earned by the claimant from the claimant's weekly benefits as other-
 7 wise determined under this chapter.

8 (c) A claimant may not be disqualified pursuant to this subsection if job training is not
 9 offered as an integral part of the position that the claimant refuses.

10 (4) Work described in subsections (2) and (3) of this section may not exceed 32 hours per
 11 week.

12 (5) As used in this section, "minimum wage" means the minimum wage adjusted for in-
 13flation as determined pursuant to ORS 653.025.

14 **SECTION 3.** (1) Notwithstanding the tax rate imposed by ORS 657.462 and
 15 notwithstanding ORS 657.463, for wages paid during the first calendar quarter of each even-
 16 numbered year, the tax rate paid by each employer subject to those provisions of law shall
 17 be determined in accordance with schedule I C, II C, III C, IV C, V C, VI C, VII C or VIII
 18 C, whichever schedule is determined pursuant to ORS 657.459 and 657.462 to be in effect for
 19 the year. The schedules are adopted as follows:

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 22 **Fund Adequacy Percentage Ratio I C**
 23 **200% and Over**

25 Tax Rate	26 Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
27 0.38%	0.00% but less than 10.00%
28 0.48%	10.00% but less than 15.00%
29 0.58%	15.00% but less than 20.00%
30 0.68%	20.00% but less than 25.00%
31 0.78%	25.00% but less than 30.00%
32 0.88%	30.00% but less than 35.00%
33 0.98%	35.00% but less than 40.00%
34 1.08%	40.00% but less than 45.00%
35 1.18%	45.00% but less than 50.00%
36 1.28%	50.00% but less than 55.00%
37 1.38%	55.00% but less than 60.00%
38 1.48%	60.00% but less than 65.00%
39 1.58%	65.00% but less than 69.00%
40 1.68%	69.00% but less than 73.00%
41 1.78%	73.00% but less than 77.00%
42 1.88%	77.00% but less than 80.00%
43 1.98%	80.00% but less than 83.00%
44 2.08%	83.00% but less than 86.00%
45 2.18%	86.00% but less than 89.00%

1	2.28%	89.00% but less than 91.00%
2	2.38%	91.00% but less than 93.00%
3	2.48%	93.00% but less than 95.00%
4	2.58%	95.00% but less than 96.00%
5	2.68%	96.00% but less than 96.90%
6	2.78%	96.90% but less than 97.70%
7	2.88%	97.70% but less than 98.40%
8	2.98%	98.40% but less than 98.90%
9	3.08%	98.90% but less than 99.30%
10	3.28%	99.30% but less than 99.54%
11	3.48%	99.54% but less than 99.63%
12	3.68%	99.63% but less than 99.71%
13	3.88%	99.71% but less than 99.78%
14	4.08%	99.78% but less than 99.84%
15	4.28%	99.84% but less than 99.89%
16	4.48%	99.89% but less than 99.93%
17	4.68%	99.93% but less than 99.96%
18	4.88%	99.96% but less than 99.98%
19	5.08%	99.98% but less than 99.99%
20	5.40%	99.99% to 100%

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Fund Adequacy Percentage Ratio II C

190.00% but less than 200%

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Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
30	0.58% 0.00% but less than 10.00%
31	0.68% 10.00% but less than 15.00%
32	0.78% 15.00% but less than 20.00%
33	0.88% 20.00% but less than 25.00%
34	0.98% 25.00% but less than 30.00%
35	1.08% 30.00% but less than 35.00%
36	1.18% 35.00% but less than 40.00%
37	1.28% 40.00% but less than 44.00%
38	1.38% 44.00% but less than 48.00%
39	1.48% 48.00% but less than 52.00%
40	1.58% 52.00% but less than 56.00%
41	1.68% 56.00% but less than 60.00%
42	1.78% 60.00% but less than 64.00%
43	1.88% 64.00% but less than 68.00%
44	1.98% 68.00% but less than 72.00%
45	2.08% 72.00% but less than 76.00%

1	2.18%	76.00% but less than 79.00%
2	2.28%	79.00% but less than 82.00%
3	2.38%	82.00% but less than 85.00%
4	2.48%	85.00% but less than 88.00%
5	2.58%	88.00% but less than 90.00%
6	2.68%	90.00% but less than 92.00%
7	2.78%	92.00% but less than 93.50%
8	2.88%	93.50% but less than 94.90%
9	2.98%	94.90% but less than 96.20%
10	3.08%	96.20% but less than 97.40%
11	3.28%	97.40% but less than 98.54%
12	3.48%	98.54% but less than 99.54%
13	3.68%	99.54% but less than 99.63%
14	3.88%	99.63% but less than 99.71%
15	4.08%	99.71% but less than 99.78%
16	4.28%	99.78% but less than 99.84%
17	4.48%	99.84% but less than 99.89%
18	4.68%	99.89% but less than 99.93%
19	4.88%	99.93% but less than 99.96%
20	5.08%	99.96% but less than 99.98%
21	5.40%	99.98% to 100%

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Fund Adequacy Percentage Ratio III C

170.00% but less than 190%

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Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
31	0.78% 0.00% but less than 10.00%
32	0.88% 10.00% but less than 15.00%
33	0.98% 15.00% but less than 20.00%
34	1.08% 20.00% but less than 24.00%
35	1.18% 24.00% but less than 28.00%
36	1.28% 28.00% but less than 32.00%
37	1.38% 32.00% but less than 36.00%
38	1.48% 36.00% but less than 40.00%
39	1.58% 40.00% but less than 44.00%
40	1.68% 44.00% but less than 48.00%
41	1.78% 48.00% but less than 52.00%
42	1.88% 52.00% but less than 56.00%
43	1.98% 56.00% but less than 60.00%
44	2.08% 60.00% but less than 64.00%
45	2.18% 64.00% but less than 68.00%

1	2.28%	68.00% but less than 72.00%
2	2.38%	72.00% but less than 76.00%
3	2.48%	76.00% but less than 80.00%
4	2.58%	80.00% but less than 84.00%
5	2.68%	84.00% but less than 87.00%
6	2.78%	87.00% but less than 90.00%
7	2.88%	90.00% but less than 93.00%
8	2.98%	93.00% but less than 95.00%
9	3.08%	95.00% but less than 97.00%
10	3.28%	97.00% but less than 98.20%
11	3.48%	98.20% but less than 99.00%
12	3.68%	99.00% but less than 99.43%
13	3.88%	99.43% but less than 99.63%
14	4.08%	99.63% but less than 99.72%
15	4.28%	99.72% but less than 99.79%
16	4.48%	99.79% but less than 99.85%
17	4.68%	99.85% but less than 99.90%
18	4.88%	99.90% but less than 99.94%
19	5.08%	99.94% but less than 99.97%
20	5.40%	99.97% to 100%

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Fund Adequacy Percentage Ratio IV C
145.00% but less than 170%

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Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
30	1.08% 0.00% but less than 10.00%
31	1.18% 10.00% but less than 15.00%
32	1.28% 15.00% but less than 20.00%
33	1.38% 20.00% but less than 24.00%
34	1.48% 24.00% but less than 28.00%
35	1.58% 28.00% but less than 32.00%
36	1.68% 32.00% but less than 36.00%
37	1.78% 36.00% but less than 40.00%
38	1.88% 40.00% but less than 44.00%
39	1.98% 44.00% but less than 48.00%
40	2.08% 48.00% but less than 52.00%
41	2.18% 52.00% but less than 56.00%
42	2.28% 56.00% but less than 60.00%
43	2.38% 60.00% but less than 64.00%
44	2.48% 64.00% but less than 68.00%
45	2.58% 68.00% but less than 72.00%

1	2.68%	72.00% but less than 76.00%
2	2.78%	76.00% but less than 80.00%
3	2.88%	80.00% but less than 84.00%
4	2.98%	84.00% but less than 88.00%
5	3.08%	88.00% but less than 92.00%
6	3.18%	92.00% but less than 95.00%
7	3.28%	95.00% but less than 97.00%
8	3.48%	97.00% but less than 98.20%
9	3.68%	98.20% but less than 99.00%
10	3.88%	99.00% but less than 99.40%
11	4.08%	99.40% but less than 99.60%
12	4.28%	99.60% but less than 99.70%
13	4.48%	99.70% but less than 99.78%
14	4.68%	99.78% but less than 99.85%
15	4.88%	99.85% but less than 99.91%
16	5.08%	99.91% but less than 99.96%
17	5.40%	99.96% to 100.00%

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Fund Adequacy Percentage Ratio V C

125.00% but less than 145%

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**Tax Rate Cumulative Taxable Payroll Limits
(Percentage of Total Taxable Payroll)**

25	1.38%	0.00% but less than 10.00%
26	1.48%	10.00% but less than 15.00%
27	1.58%	15.00% but less than 20.00%
28	1.68%	20.00% but less than 24.00%
29	1.78%	24.00% but less than 28.00%
30	1.88%	28.00% but less than 32.00%
31	1.98%	32.00% but less than 36.00%
32	2.08%	36.00% but less than 40.00%
33	2.18%	40.00% but less than 44.00%
34	2.28%	44.00% but less than 48.00%
35	2.38%	48.00% but less than 52.00%
36	2.48%	52.00% but less than 56.00%
37	2.58%	56.00% but less than 60.00%
38	2.68%	60.00% but less than 64.00%
39	2.78%	64.00% but less than 68.00%
40	2.88%	68.00% but less than 72.00%
41	2.98%	72.00% but less than 76.00%
42	3.08%	76.00% but less than 80.00%
43	3.18%	80.00% but less than 84.00%

1	3.28%	84.00% but less than 88.00%
2	3.38%	88.00% but less than 92.00%
3	3.48%	92.00% but less than 95.00%
4	3.58%	95.00% but less than 97.00%
5	3.68%	97.00% but less than 98.20%
6	3.78%	98.20% but less than 99.00%
7	3.88%	99.00% but less than 99.40%
8	4.08%	99.40% but less than 99.60%
9	4.28%	99.60% but less than 99.70%
10	4.48%	99.70% but less than 99.78%
11	4.68%	99.78% but less than 99.85%
12	4.88%	99.85% but less than 99.91%
13	5.08%	99.91% but less than 99.96%
14	5.40%	99.96% to 100.00%

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Fund Adequacy Percentage Ratio VI C

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110.00% but less than 125%

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Tax Rate Cumulative Taxable Payroll Limits

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(Percentage of Total Taxable Payroll)

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1.68% 0.00% but less than 10.00%

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1.78% 10.00% but less than 15.00%

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1.88% 15.00% but less than 20.00%

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1.98% 20.00% but less than 25.00%

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2.08% 25.00% but less than 30.00%

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2.18% 30.00% but less than 35.00%

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2.28% 35.00% but less than 40.00%

31

2.38% 40.00% but less than 44.00%

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2.48% 44.00% but less than 48.00%

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2.58% 48.00% but less than 52.00%

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2.68% 52.00% but less than 56.00%

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2.78% 56.00% but less than 60.00%

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2.88% 60.00% but less than 64.00%

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2.98% 64.00% but less than 68.00%

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3.08% 68.00% but less than 72.00%

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3.18% 72.00% but less than 76.00%

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3.28% 76.00% but less than 80.00%

41

3.38% 80.00% but less than 84.00%

42

3.48% 84.00% but less than 88.00%

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3.58% 88.00% but less than 92.00%

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3.68% 92.00% but less than 95.00%

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3.78% 95.00% but less than 97.00%

1	3.88%	97.00% but less than 98.20%
2	4.08%	98.20% but less than 99.00%
3	4.28%	99.00% but less than 99.50%
4	4.48%	99.50% but less than 99.70%
5	4.68%	99.70% but less than 99.79%
6	4.88%	99.79% but less than 99.87%
7	5.08%	99.87% but less than 99.94%
8	5.40%	99.94% to 100.00%

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Fund Adequacy Percentage Ratio VII C

100.00% but less than 110%

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13 Tax Rate Cumulative Taxable Payroll Limits
14 (Percentage of Total Taxable Payroll)

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16	Tax Rate	Cumulative Taxable Payroll Limits
17		(Percentage of Total Taxable Payroll)
18	1.88%	0.00% but less than 10.00%
19	1.98%	10.00% but less than 15.00%
20	2.08%	15.00% but less than 20.00%
21	2.18%	20.00% but less than 25.00%
22	2.28%	25.00% but less than 30.00%
23	2.38%	30.00% but less than 35.00%
24	2.48%	35.00% but less than 40.00%
25	2.58%	40.00% but less than 45.00%
26	2.68%	45.00% but less than 50.00%
27	2.78%	50.00% but less than 55.00%
28	2.88%	55.00% but less than 60.00%
29	2.98%	60.00% but less than 64.00%
30	3.08%	64.00% but less than 68.00%
31	3.18%	68.00% but less than 72.00%
32	3.28%	72.00% but less than 76.00%
33	3.38%	76.00% but less than 80.00%
34	3.48%	80.00% but less than 84.00%
35	3.58%	84.00% but less than 88.00%
36	3.68%	88.00% but less than 92.00%
37	3.78%	92.00% but less than 95.00%
38	3.88%	95.00% but less than 97.00%
39	4.08%	97.00% but less than 98.20%
40	4.28%	98.20% but less than 99.00%
41	4.48%	99.00% but less than 99.50%
42	4.68%	99.50% but less than 99.70%
43	4.88%	99.70% but less than 99.84%
44	5.08%	99.84% but less than 99.93%
45	5.40%	99.93% to 100.00%

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Fund Adequacy Percentage Ratio VIII C
Under 100%

Tax Rate	Cumulative Taxable Payroll Limits (Percentage of Total Taxable Payroll)
2.08%	0.00% but less than 10.00%
2.18%	10.00% but less than 15.00%
2.28%	15.00% but less than 20.00%
2.38%	20.00% but less than 25.00%
2.48%	25.00% but less than 30.00%
2.58%	30.00% but less than 35.00%
2.68%	35.00% but less than 40.00%
2.78%	40.00% but less than 45.00%
2.88%	45.00% but less than 50.00%
2.98%	50.00% but less than 55.00%
3.08%	55.00% but less than 60.00%
3.18%	60.00% but less than 65.00%
3.28%	65.00% but less than 70.00%
3.38%	70.00% but less than 75.00%
3.48%	75.00% but less than 80.00%
3.58%	80.00% but less than 84.00%
3.68%	84.00% but less than 88.00%
3.78%	88.00% but less than 92.00%
3.88%	92.00% but less than 95.00%
4.08%	95.00% but less than 97.00%
4.28%	97.00% but less than 98.20%
4.48%	98.20% but less than 99.00%
4.68%	99.00% but less than 99.50%
4.88%	99.50% but less than 99.80%
5.08%	99.80% but less than 99.92%
5.40%	99.92% to 100.00%

(2) Notwithstanding the tax rate imposed by ORS 657.462, each employer subject to this chapter, other than employers whose assigned tax rate is 5.4 percent, shall pay to the Employment Department, for the first calendar quarter of each even-numbered year, an amount equal to:

(a) Three one-hundredths of a percent of wages subject to tax under this chapter for that calendar quarter. All such moneys shall be paid and collected in the same manner and at the same time as unemployment compensation taxes under this chapter, unless the Director of the Employment Department prescribes otherwise. After deduction of the actual shared

1 costs of the department in collecting the amounts under this paragraph, all such moneys
 2 shall be paid into the Oregon Unemployment Insurance Program Integrity Fund. Except as
 3 provided in paragraph (b) of this subsection, moneys due pursuant to this section but not
 4 received by the department for payment to the Oregon Unemployment Insurance Program
 5 Integrity Fund by June 30 of each odd-numbered year shall be paid into the Unemployment
 6 Compensation Trust Fund; and

7 (b) Nine one-hundredths of a percent of wages subject to tax under this chapter for that
 8 calendar quarter. All such moneys shall be paid and collected in the same manner and at the
 9 same time as unemployment compensation taxes under this chapter, unless the director
 10 prescribes otherwise. After deduction of the actual shared costs of the department in col-
 11 lecting the amounts under this paragraph, all such moneys shall be paid into the Supple-
 12 mental Employment Department Administration Fund.

13 **SECTION 4.** (1) The Oregon Unemployment Insurance Program Integrity Fund is estab-
 14 lished separate and distinct from the General Fund. After deduction of the shared costs
 15 provided for in section 3 (2)(a) of this 2012 Act, all moneys received by the Employment De-
 16 partment pursuant to section 3 (2)(a) of this 2012 Act shall be paid into the State Treasury
 17 and credited to the Oregon Unemployment Insurance Program Integrity Fund. All income
 18 earned on moneys in the Oregon Unemployment Insurance Program Integrity Fund invested
 19 by the State Treasurer shall accrue to the fund.

20 (2) All income earned on moneys in the Oregon Unemployment Insurance Program In-
 21 tegrity Fund, and all other moneys in the fund, are appropriated continuously to the Director
 22 of the Employment Department for the purpose of determining and improving the integrity
 23 of all aspects of the unemployment insurance program of this state.

24 **SECTION 5.** (1) The Director of the Employment Department shall seek a waiver from
 25 the Secretary of the United States Department of Labor for any provisions of sections 2 to
 26 4 of this 2012 Act that the secretary determines do not conform to the applicable provisions
 27 of the Federal Unemployment Tax Act and the Social Security Act as required under 26
 28 U.S.C. 3303(a) and 3304 and 42 U.S.C. 503.

29 (2) Any provisions of sections 2 to 4 of this 2012 Act that the secretary determines do
 30 not conform to applicable federal law shall have no further effect unless the director obtains
 31 a waiver from the United States Department of Labor for the nonconforming provisions
 32 pursuant to subsection (1) of this section.

33 (3) Not later than February 4, 2013, the director shall submit a report to the Legislative
 34 Assembly, as provided in ORS 192.245, on:

- 35 (a) The effectiveness of the benefits program created under section 2 of this 2012 Act;
- 36 (b) The effectiveness of program integrity efforts under section 4 of this 2012 Act; and
- 37 (c) The status of any waiver requests required under subsection (1) of this section.

38 **SECTION 6.** (1) Section 3 of this 2012 Act applies to the first calendar quarter of even-
 39 numbered years beginning on or after January 1, 2012.

40 (2) Section 5 of this 2012 Act is repealed on January 2, 2015.

41 **SECTION 7.** This 2012 Act takes effect on the 91st day after the date on which the 2012
 42 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.