

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass
<b>Vote:</b>	4 - 2 - 0
<b>Yeas:</b>	Edwards, Monroe, Starr, Beyer
<b>Nays:</b>	Girod, Thomsen
<b>Exc.:</b>	0
<b>Prepared By:</b>	Patrick Brennan, Administrator
<b>Meeting Dates:</b>	2/7

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**WHAT THE MEASURE DOES:** Requires charge of benefits to employer’s unemployment insurance account if the employer fails to respond in timely manner to notice from the Employment Department regarding claim, failure of which causes overpayment of benefits, and the employer record shows a pattern of failing to respond in a timely or adequate manner to such notices. Excludes individuals employed on seasonal, temporary or intermittent basis from definition of “affected employee” for purposes of the shared work unemployment benefit program. Specifies that the shared work plan must include a description of how requirements of the program will be implemented, estimate the number of layoffs avoided because of the program, and certify that certain retirement benefits will be provided in a manner as if the workweek had not been reduced. Adjusts calculation of benefits under the shared work program. Specifies that employers will not be billed for benefits when the program is fully funded by the federal government. Allows individuals receiving extended benefits to receive self-employment assistance benefits. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Relationship of seasonal jobs with Unemployment Insurance benefits
- Compliance can be problematic for some small employers
- Revisions needed to conform to federal law changes

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Oregon Employment Department, created in 1933, is charged with supporting economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits, generally referred to as Unemployment Insurance (UI). To be eligible to receive benefits, an individual must have earned at least \$1,000 in wages in subject employment during the first four of the previous five quarters, as well as total wages of at least 1.5 times that of the highest quarter during the same period. Weekly benefits range from \$122 per week to \$524 per week.

Oregon law requires employers to pay unemployment taxes on employee wages by filing quarterly tax reports. Individuals who are hired and compensated for their services are considered employees and their compensation for service is considered taxable wages unless specifically excluded by law. The quarterly tax reports are used to determine which employers’ accounts should be utilized for paying benefits to UI claimants, as well as for determining whether termination of employment was such that would disqualify the individual from qualifying for UI benefits.

Senate Bill 192 specifies that an employer seeking relief from a requirement to pay UI benefits must file a request for relief within 30 days of receiving notice from the Employment Department that a claim has been made. In instances where an employer establishes a pattern of failure to respond in a timely manner to notices, a failure to respond within the 30 day period will result in a charge to the employer’s account of the benefits paid to the individual in question, even if the benefits were the result of an overpayment. The measure also allows three years of full federal reimbursement of Work Share benefits paid to unemployed claimants by complying with terms from the federal Middle Class Tax Relief and Job Creation Act.

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***This summary has not been adopted or officially endorsed by action of the committee.***