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1 A bill to be entitled
2 An act relating to the Unemployment Compensation Trust
3 Fund; amending s. 443.1217, F.S.; revising the amount of
4 an employee's wages that are subject to an employer's
5 contribution to the fund for specified periods; amending
6 s. 443.131, F.S.; revising the rate and recoupment period
7 for computing the employer's contribution to the fund for
8 specified periods; providing the calculation for lowering
9 an employer's contribution to the fund beginning on a
10 specified date; providing for a suspension of lowering the
11 employer's contribution under certain circumstances;
12 providing for determination of "taxable payroll"; amending
13 s. 443.191, F.S.; providing for certain advances to be
14 credited to the fund upon request by the Governor or the
15 Governor's designee; providing that moneys may be
16 requisitioned from the state's account in the federal fund
17 for the repayment of such advances; providing an effective
18 date.

19
20 Be It Enacted by the Legislature of the State of Florida:

21
22 Section 1. Paragraph (a) of subsection (2) of section
23 443.1217, Florida Statutes, is amended to read:

24 443.1217 Wages.--

25 (2) For the purpose of determining an employer's
26 contributions, the following wages are exempt from this chapter:

27 (a) That part of remuneration paid to an individual by an
28 employer for employment during a calendar year in excess of the

29 first \$8,500 ~~\$7,000~~ of remuneration paid to the individual by
 30 the employer or his or her predecessor during that calendar
 31 year, unless that part of the remuneration is subject to a tax,
 32 under a federal law imposing the tax, against which credit may
 33 be taken for contributions required to be paid into a state
 34 unemployment fund. As used in this section only, the term
 35 "employment" includes services constituting employment under any
 36 employment security law of another state or of the Federal
 37 Government. Beginning January 1, 2015, the part of remuneration
 38 paid to an individual by an employer for employment during a
 39 calendar year in excess of the first \$7,000 is exempt from this
 40 chapter.

41 Section 2. Paragraph (e) of subsection (3) of section
 42 443.131, Florida Statutes, is amended to read:

43 443.131 Contributions.--

44 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
 45 EXPERIENCE.--

46 (e) Assignment of variations from the standard rate.--

47 1. The tax collection service provider shall assign a
 48 variation from the standard rate of contributions for each
 49 calendar year to each eligible employer. In determining the
 50 contribution rate, varying from the standard rate to be assigned
 51 each employer, adjustment factors computed under sub-
 52 subparagraphs a.-d. ~~a.-e.~~ shall be added to the benefit ratio.
 53 This addition shall be accomplished in two steps by adding a
 54 variable adjustment factor and a final adjustment factor. The
 55 sum of these adjustment factors computed under sub-subparagraphs
 56 a.-d. ~~a.-e.~~ shall first be algebraically summed. The sum of

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57 | these adjustment factors shall next be divided by a gross
58 | benefit ratio determined as follows: Total benefit payments for
59 | the 3-year period described in subparagraph (b)2. shall be
60 | charged to employers eligible for a variation from the standard
61 | rate, minus excess payments for the same period, divided by
62 | taxable payroll entering into the computation of individual
63 | benefit ratios for the calendar year for which the contribution
64 | rate is being computed. The ratio of the sum of the adjustment
65 | factors computed under sub-subparagraphs a.-d. ~~a.-e.~~ to the
66 | gross benefit ratio shall be multiplied by each individual
67 | benefit ratio that is less than the maximum contribution rate to
68 | obtain variable adjustment factors; except that in any instance
69 | in which the sum of an employer's individual benefit ratio and
70 | variable adjustment factor exceeds the maximum contribution
71 | rate, the variable adjustment factor shall be reduced in order
72 | that the sum equals the maximum contribution rate. The variable
73 | adjustment factor for each of these employers is multiplied by
74 | his or her taxable payroll entering into the computation of his
75 | or her benefit ratio. The sum of these products shall be divided
76 | by the taxable payroll of the employers who entered into the
77 | computation of their benefit ratios. The resulting ratio shall
78 | be subtracted from the sum of the adjustment factors computed
79 | under sub-subparagraphs a.-d. ~~a.-e.~~ to obtain the final
80 | adjustment factor. The variable adjustment factors and the final
81 | adjustment factor shall be computed to five decimal places and
82 | rounded to the fourth decimal place. This final adjustment
83 | factor shall be added to the variable adjustment factor and
84 | benefit ratio of each employer to obtain each employer's

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85 contribution rate. An employer's contribution rate may not,
86 however, be rounded to less than 0.1 percent.

87 a. An adjustment factor for noncharge benefits shall be
88 computed to the fifth decimal place and rounded to the fourth
89 decimal place by dividing the amount of noncharge benefits
90 during the 3-year period described in subparagraph (b)2. by the
91 taxable payroll of employers eligible for a variation from the
92 standard rate who have a benefit ratio for the current year
93 which is less than the maximum contribution rate. For purposes
94 of computing this adjustment factor, the taxable payroll of
95 these employers is the taxable payrolls for the 3 years ending
96 June 30 of the current calendar year as reported to the tax
97 collection service provider by September 30 of the same calendar
98 year. As used in this sub-subparagraph, the term "noncharge
99 benefits" means benefits paid to an individual from the
100 Unemployment Compensation Trust Fund, but which were not charged
101 to the employment record of any employer.

102 b. An adjustment factor for excess payments shall be
103 computed to the fifth decimal place, and rounded to the fourth
104 decimal place by dividing the total excess payments during the
105 3-year period described in subparagraph (b)2. by the taxable
106 payroll of employers eligible for a variation from the standard
107 rate who have a benefit ratio for the current year which is less
108 than the maximum contribution rate. For purposes of computing
109 this adjustment factor, the taxable payroll of these employers
110 is the same figure used to compute the adjustment factor for
111 noncharge benefits under sub-subparagraph a. As used in this
112 sub-subparagraph, the term "excess payments" means the amount of

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113 benefits charged to the employment record of an employer during
114 the 3-year period described in subparagraph (b)2., less the
115 product of the maximum contribution rate and the employer's
116 taxable payroll for the 3 years ending June 30 of the current
117 calendar year as reported to the tax collection service provider
118 by September 30 of the same calendar year. As used in this sub-
119 subparagraph, the term "total excess payments" means the sum of
120 the individual employer excess payments for those employers that
121 were eligible to be considered for assignment of a contribution
122 rate different from the standard rate.

123 c. If the balance of the Unemployment Compensation Trust
124 Fund on June 30 of the calendar year immediately preceding the
125 calendar year for which the contribution rate is being computed
126 is less than 4 ~~3.7~~ percent of the taxable payrolls for the year
127 ending June 30 as reported to the tax collection service
128 provider by September 30 of that calendar year, a positive
129 adjustment factor shall be computed. The positive adjustment
130 factor shall be computed annually to the fifth decimal place and
131 rounded to the fourth decimal place by dividing the sum of the
132 total taxable payrolls for the year ending June 30 of the
133 current calendar year as reported to the tax collection service
134 provider by September 30 of that calendar year into a sum equal
135 to one-third ~~one-fourth~~ of the difference between the balance of
136 the fund as of June 30 of that calendar year and the sum of 5
137 ~~4.7~~ percent of the total taxable payrolls for that year. The
138 positive adjustment factor remains in effect for subsequent
139 years until the balance of the Unemployment Compensation Trust
140 Fund as of June 30 of the year immediately preceding the

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141 effective date of the contribution rate equals or exceeds 5 ~~3.7~~
142 percent of the taxable payrolls for the year ending June 30 of
143 the current calendar year as reported to the tax collection
144 service provider by September 30 of that calendar year.
145 Beginning January 1, 2015, and for each year thereafter, the
146 positive adjustment factor authorized by this sub-subparagraph
147 shall be computed by dividing the sum of the total taxable
148 payrolls for the year ending June 30 of the current calendar
149 year as reported to the tax collection service provider by
150 September 30 of that calendar year into a sum equal to one-
151 fourth of the difference between the balance of the fund as of
152 June 30 of that calendar year and the sum of 5 percent of the
153 total taxable payrolls for that year. The positive adjustment
154 factor remains in effect for subsequent years until the balance
155 of the Unemployment Compensation Trust Fund as of June 30 of the
156 year immediately preceding the effective date of the
157 contribution rate equals or exceeds 4 percent of the taxable
158 payrolls for the year ending June 30 of the current calendar
159 year as reported to the tax collection service provider by
160 September 30 of that calendar year.

161 d. Beginning January 1, 2015, and each year thereafter, if
162 the balance of the Unemployment Compensation Trust Fund as of
163 June 30 of the year immediately preceding the calendar year for
164 which the contribution rate is being computed exceeds 5 ~~4.7~~
165 percent of the taxable payrolls for the year ending June 30 of
166 the current calendar year as reported to the tax collection
167 service provider by September 30 of that calendar year, a
168 negative adjustment factor shall be computed. Beginning January

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169 1, 2015, and each year thereafter, the negative adjustment
170 factor shall be computed annually to the fifth decimal place and
171 rounded to the fourth decimal place by dividing the sum of the
172 total taxable payrolls for the year ending June 30 of the
173 current calendar year as reported to the tax collection service
174 provider by September 30 of the calendar year into a sum equal
175 to one-fourth of the difference between the balance of the fund
176 as of June 30 of the current calendar year and 5 ~~4.7~~ percent of
177 the total taxable payrolls of that year. The negative adjustment
178 factor remains in effect for subsequent years until the balance
179 of the Unemployment Compensation Trust Fund as of June 30 of the
180 year immediately preceding the effective date of the
181 contribution rate is less than 5 ~~4.7~~ percent, but more than 4
182 ~~3.7~~ percent of the taxable payrolls for the year ending June 30
183 of the current calendar year as reported to the tax collection
184 service provider by September 30 of that calendar year. The
185 negative adjustment factor authorized by this sub-subparagraph
186 is suspended in any calendar year in which repayment of the
187 principal amount of an advance received from the federal
188 Unemployment Compensation Trust Fund under 42 U.S.C. s. 1321 is
189 due to the Federal Government.

190 ~~e.d.~~ The maximum contribution rate that may be assigned to
191 an employer is 5.4 percent, except employers participating in an
192 approved short-time compensation plan may be assigned a maximum
193 contribution rate that is 1 percent greater than the maximum
194 contribution rate for other employers in any calendar year in
195 which short-time compensation benefits are charged to the
196 employer's employment record.

197 f. For purposes of this subparagraph, "taxable payroll"
 198 shall be determined by excluding any part of the remuneration
 199 paid to an individual by an employer for employment during a
 200 calendar year in excess of the first \$7,000.

201 2. If the transfer of an employer's employment record to
 202 an employing unit under paragraph (f) which, before the
 203 transfer, was an employer, the tax collection service provider
 204 shall recompute a benefit ratio for the successor employer based
 205 on the combined employment records and reassign an appropriate
 206 contribution rate to the successor employer effective on the
 207 first day of the calendar quarter immediately after the
 208 effective date of the transfer.

209 Section 3. Subsections (1) and (3) of section 443.191,
 210 Florida Statutes, are amended to read:

211 443.191 Unemployment Compensation Trust Fund;
 212 establishment and control.--

213 (1) There is established, as a separate trust fund apart
 214 from all other public funds of this state, an Unemployment
 215 Compensation Trust Fund, which shall be administered by the
 216 Agency for Workforce Innovation exclusively for the purposes of
 217 this chapter. The fund shall consist of:

218 (a) All contributions and reimbursements collected under
 219 this chapter;

220 (b) Interest earned on any moneys in the fund;

221 (c) Any property or securities acquired through the use of
 222 moneys belonging to the fund;

223 (d) All earnings of these properties or securities; ~~and~~

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224 (e) All money credited to this state's account in the
 225 federal Unemployment Compensation Trust Fund under 42 U.S.C. s.
 226 1103; and

227 (f) Advances on the amount in the federal Unemployment
 228 Compensation Trust Fund credited to the state under 42 U.S.C. s.
 229 1321, as requested by the Governor or the Governor's designee.
 230

231 Except as otherwise provided in s. 443.1313(4), all moneys in
 232 the fund shall be mingled and undivided.

233 (3) Moneys may ~~only~~ be requisitioned from the state's
 234 account in the federal Unemployment Compensation Trust Fund
 235 solely for the payment of benefits and extended benefits and for
 236 payment in accordance with rules prescribed by the Agency for
 237 Workforce Innovation, or for the repayment of advances made
 238 under 42 U.S.C. s. 1321, as authorized by the Governor or the
 239 Governor's designee, except that money credited to this state's
 240 account under 42 U.S.C. s. 1103 may only be used exclusively as
 241 provided in subsection (5). The Agency for Workforce Innovation,
 242 through the Chief Financial Officer, shall requisition from the
 243 federal Unemployment Compensation Trust Fund amounts, not
 244 exceeding the amounts credited to this state's account in the
 245 fund, as necessary for the payment of benefits and extended
 246 benefits for a reasonable future period. Upon receipt of these
 247 amounts, the Chief Financial Officer shall deposit the moneys in
 248 the benefit account in the State Treasury and warrants for the
 249 payment of benefits and extended benefits shall be drawn upon
 250 the order of the Agency for Workforce Innovation against the
 251 account. All warrants for benefits and extended benefits are

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252 payable directly to the ultimate beneficiary. Expenditures of
253 these moneys in the benefit account and refunds from the
254 clearing account are not subject to any law requiring specific
255 appropriations or other formal release by state officers of
256 money in their custody. All warrants issued for the payment of
257 benefits and refunds must bear the signature of the Chief
258 Financial Officer. Any balance of moneys requisitioned from this
259 state's account in the federal Unemployment Compensation Trust
260 Fund which remains unclaimed or unpaid in the benefit account
261 after the period for which the moneys were requisitioned shall
262 be deducted from estimates for, and may be used for the payment
263 of, benefits and extended benefits during succeeding periods,
264 or, in the discretion of the Agency for Workforce Innovation,
265 shall be redeposited with the Secretary of the Treasury of the
266 United States, to the credit of this state's account in the
267 federal Unemployment Compensation Trust Fund, as provided in
268 subsection (2).

269 Section 4. This act shall take effect upon becoming a law.