

1 A bill to be entitled
 2 An act relating to unemployment compensation; amending
 3 s. 443.1217, F.S.; revising the amount of exempt
 4 wages; amending s. 443.131, F.S.; revising provisions
 5 relating to computing a positive adjustment factor;
 6 revising provisions to conform to changes made by the
 7 act; providing an effective date.

8
 9 Be It Enacted by the Legislature of the State of Florida:

10
 11 Section 1. Paragraph (a) of subsection (2) of section
 12 443.1217, Florida Statutes, is amended to read:

13 443.1217 Wages.—

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

16 (a) ~~1.~~ Beginning January 1, 2010, that part of remuneration
 17 paid to an individual by an employer for employment during a
 18 calendar year in excess of the first \$7,000 of remuneration paid
 19 to the individual by an employer or his or her predecessor
 20 during that calendar year, unless that part of the remuneration
 21 is subject to a tax, under a federal law imposing the tax,
 22 against which credit may be taken for contributions required to
 23 be paid into a state unemployment fund.

24 ~~2. Beginning January 1, 2012, that part of remuneration~~
 25 ~~paid to an individual by an employer for employment during a~~
 26 ~~calendar year in excess of the first \$8,500 of remuneration paid~~
 27 ~~to the individual by the employer or his or her predecessor~~
 28 ~~during that calendar year, unless that part of the remuneration~~

29 ~~is subject to a tax, under a federal law imposing the tax,~~
 30 ~~against which credit may be taken for contributions required to~~
 31 ~~be paid into a state unemployment fund.~~

32 ~~3. Beginning January 1, 2015, the part of remuneration~~
 33 ~~paid to an individual by an employer for employment during a~~
 34 ~~calendar year in excess of the first \$7,000 of remuneration paid~~
 35 ~~to the individual by an employer or his or her predecessor~~
 36 ~~during that calendar year, unless that part of the remuneration~~
 37 ~~is subject to a tax, under a federal law imposing the tax,~~
 38 ~~against which credit may be taken for contributions required to~~
 39 ~~be paid into a state unemployment fund. The wage base exemption~~
 40 ~~adjustment authorized by this subparagraph shall be suspended in~~
 41 ~~any calendar year in which repayment of the principal amount of~~
 42 ~~an advance received from the Unemployment Compensation Trust~~
 43 ~~Fund under 42 U.S.C. s. 1321 is due to the Federal Government.~~

44 Section 2. Paragraph (e) of subsection (3) of section
 45 443.131, Florida Statutes, is amended to read:

46 443.131 Contributions.—

47 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
 48 EXPERIENCE.—

49 (e) Assignment of variations from the standard rate.—

50 1. As used in this paragraph, the terms "total benefit
 51 payments," "benefits paid to an individual," and "benefits
 52 charged to the employment record of an employer" mean the amount
 53 of benefits paid to individuals multiplied by:

- 54 a. For benefits paid prior to July 1, 2007, 1.
- 55 b. For benefits paid during the period beginning on July
 56 1, 2007, and ending March 31, 2011, 0.90.

57 | c. For benefits paid after March 31, 2011, 1.
 58 | 2. For the calculation of contribution rates effective
 59 | January 1, 2010, and thereafter:
 60 | a. The tax collection service provider shall assign a
 61 | variation from the standard rate of contributions for each
 62 | calendar year to each eligible employer. In determining the
 63 | contribution rate, varying from the standard rate to be assigned
 64 | each employer, adjustment factors computed under sub-sub-
 65 | subparagraphs (I)-(IV) are added to the benefit ratio. This
 66 | addition shall be accomplished in two steps by adding a variable
 67 | adjustment factor and a final adjustment factor. The sum of
 68 | these adjustment factors computed under sub-sub-subparagraphs
 69 | (I)-(IV) shall first be algebraically summed. The sum of these
 70 | adjustment factors shall next be divided by a gross benefit
 71 | ratio determined as follows: Total benefit payments for the 3-
 72 | year period described in subparagraph (b)3. are charged to
 73 | employers eligible for a variation from the standard rate, minus
 74 | excess payments for the same period, divided by taxable payroll
 75 | entering into the computation of individual benefit ratios for
 76 | the calendar year for which the contribution rate is being
 77 | computed. The ratio of the sum of the adjustment factors
 78 | computed under sub-sub-subparagraphs (I)-(IV) to the gross
 79 | benefit ratio is multiplied by each individual benefit ratio
 80 | that is less than the maximum contribution rate to obtain
 81 | variable adjustment factors; except that if the sum of an
 82 | employer's individual benefit ratio and variable adjustment
 83 | factor exceeds the maximum contribution rate, the variable
 84 | adjustment factor is reduced in order for the sum to equal the

HB 1061

2012

85 maximum contribution rate. The variable adjustment factor for
86 each of these employers is multiplied by his or her taxable
87 payroll entering into the computation of his or her benefit
88 ratio. The sum of these products is divided by the taxable
89 payroll of the employers who entered into the computation of
90 their benefit ratios. The resulting ratio is subtracted from the
91 sum of the adjustment factors computed under sub-sub-
92 subparagraphs (I)-(IV) to obtain the final adjustment factor.
93 The variable adjustment factors and the final adjustment factor
94 must be computed to five decimal places and rounded to the
95 fourth decimal place. This final adjustment factor is added to
96 the variable adjustment factor and benefit ratio of each
97 employer to obtain each employer's contribution rate. An
98 employer's contribution rate may not, however, be rounded to
99 less than 0.1 percent.

100 (I) An adjustment factor for noncharge benefits is
101 computed to the fifth decimal place and rounded to the fourth
102 decimal place by dividing the amount of noncharge benefits
103 during the 3-year period described in subparagraph (b)3. by the
104 taxable payroll of employers eligible for a variation from the
105 standard rate who have a benefit ratio for the current year
106 which is less than the maximum contribution rate. For purposes
107 of computing this adjustment factor, the taxable payroll of
108 these employers is the taxable payrolls for the 3 years ending
109 June 30 of the current calendar year as reported to the tax
110 collection service provider by September 30 of the same calendar
111 year. As used in this sub-sub-subparagraph, the term "noncharge
112 benefits" means benefits paid to an individual from the

HB 1061

2012

113 Unemployment Compensation Trust Fund, but which were not charged
114 to the employment record of any employer.

115 (II) An adjustment factor for excess payments is computed
116 to the fifth decimal place, and rounded to the fourth decimal
117 place by dividing the total excess payments during the 3-year
118 period described in subparagraph (b)3. by the taxable payroll of
119 employers eligible for a variation from the standard rate who
120 have a benefit ratio for the current year which is less than the
121 maximum contribution rate. For purposes of computing this
122 adjustment factor, the taxable payroll of these employers is the
123 same figure used to compute the adjustment factor for noncharge
124 benefits under sub-sub-subparagraph (I). As used in this sub-
125 subparagraph, the term "excess payments" means the amount of
126 benefits charged to the employment record of an employer during
127 the 3-year period described in subparagraph (b)3., less the
128 product of the maximum contribution rate and the employer's
129 taxable payroll for the 3 years ending June 30 of the current
130 calendar year as reported to the tax collection service provider
131 by September 30 of the same calendar year. As used in this sub-
132 subparagraph, the term "total excess payments" means the sum
133 of the individual employer excess payments for those employers
134 that were eligible for assignment of a contribution rate
135 different from the standard rate.

136 (III) With respect to computing a positive adjustment
137 factor:

138 (A) Beginning January 1, 2012, if the balance of the
139 Unemployment Compensation Trust Fund on September 30 of the
140 calendar year immediately preceding the calendar year for which

141 the contribution rate is being computed is less than 4 percent
 142 of the taxable payrolls for the year ending June 30 as reported
 143 to the tax collection service provider by September 30 of that
 144 calendar year, a positive adjustment factor shall be computed.
 145 The positive adjustment factor is computed annually to the fifth
 146 decimal place and rounded to the fourth decimal place by
 147 dividing the sum of the total taxable payrolls for the year
 148 ending June 30 of the current calendar year as reported to the
 149 tax collection service provider by September 30 of that calendar
 150 year into a sum equal to one-sixth ~~one-third~~ of the difference
 151 between the balance of the fund as of September 30 of that
 152 calendar year and the sum of 5 percent of the total taxable
 153 payrolls for that year. The positive adjustment factor remains
 154 in effect for subsequent years until the balance of the
 155 Unemployment Compensation Trust Fund as of September 30 of the
 156 year immediately preceding the effective date of the
 157 contribution rate equals or exceeds 4 ~~5~~ 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 (B) Beginning January 1, 2018 ~~2015~~, and for each year
 162 thereafter, the positive adjustment shall be computed by
 163 dividing the sum of the total taxable payrolls for the year
 164 ending June 30 of the current calendar year as reported to the
 165 tax collection service provider by September 30 of that calendar
 166 year into a sum equal to one-fourth of the difference between
 167 the balance of the fund as of September 30 of that calendar year
 168 and the sum of 5 percent of the total taxable payrolls for that

HB 1061

2012

169 year. The positive adjustment factor remains in effect for
170 subsequent years until the balance of the Unemployment
171 Compensation Trust Fund as of September 30 of the year
172 immediately preceding the effective date of the contribution
173 rate equals or exceeds 4 percent of the taxable payrolls for the
174 year ending June 30 of the current calendar year as reported to
175 the tax collection service provider by September 30 of that
176 calendar year.

177 (IV) If, beginning January 1, 2015, and each year
178 thereafter, the balance of the Unemployment Compensation Trust
179 Fund as of September 30 of the year immediately preceding the
180 calendar year for which the contribution rate is being computed
181 exceeds 5 percent of the taxable payrolls for the year ending
182 June 30 of the current calendar year as reported to the tax
183 collection service provider by September 30 of that calendar
184 year, a negative adjustment factor must be computed. The
185 negative adjustment factor shall be computed annually beginning
186 on January 1, 2015, and each year thereafter, to the fifth
187 decimal place and rounded to the fourth decimal place by
188 dividing the sum of the total taxable payrolls for the year
189 ending June 30 of the current calendar year as reported to the
190 tax collection service provider by September 30 of the calendar
191 year into a sum equal to one-fourth of the difference between
192 the balance of the fund as of September 30 of the current
193 calendar year and 5 percent of the total taxable payrolls of
194 that year. The negative adjustment factor remains in effect for
195 subsequent years until the balance of the Unemployment
196 Compensation Trust Fund as of September 30 of the year

HB 1061

2012

197 immediately preceding the effective date of the contribution
198 rate is less than 5 percent, but more than 4 percent of the
199 taxable payrolls for the year ending June 30 of the current
200 calendar year as reported to the tax collection service provider
201 by September 30 of that calendar year. The negative adjustment
202 authorized by this section is suspended in any calendar year in
203 which repayment of the principal amount of an advance received
204 from the federal Unemployment Compensation Trust Fund under 42
205 U.S.C. s. 1321 is due to the Federal Government.

206 (V) The maximum contribution rate that may be assigned to
207 an employer is 5.4 percent, except employers participating in an
208 approved short-time compensation plan may be assigned a maximum
209 contribution rate that is 1 percent greater than the maximum
210 contribution rate for other employers in any calendar year in
211 which short-time compensation benefits are charged to the
212 employer's employment record.

213 (VI) As used in this subsection, "taxable payroll" shall
214 be determined by excluding any part of the remuneration paid to
215 an individual by an employer for employment during a calendar
216 year in excess of the first \$7,000. ~~Beginning January 1, 2012,~~
217 ~~"taxable payroll" shall be determined by excluding any part of~~
218 ~~the remuneration paid to an individual by an employer for~~
219 ~~employment during a calendar year as described in s.~~
220 ~~443.1217(2). For the purposes of the employer rate calculation~~
221 ~~that will take effect in January 1, 2012, and in January 1,~~
222 ~~2013, the tax collection service provider shall use the data~~
223 ~~available for taxable payroll from 2009 based on excluding any~~
224 ~~part of the remuneration paid to an individual by an employer~~

HB 1061

2012

225 ~~for employment during a calendar year in excess of the first~~
226 ~~\$7,000, and from 2010 and 2011, the data available for taxable~~
227 ~~payroll based on excluding any part of the remuneration paid to~~
228 ~~an individual by an employer for employment during a calendar~~
229 ~~year in excess of the first \$8,500.~~

230 b. If the transfer of an employer's employment record to
231 an employing unit under paragraph (f) which, before the
232 transfer, was an employer, the tax collection service provider
233 shall recompute a benefit ratio for the successor employer based
234 on the combined employment records and reassign an appropriate
235 contribution rate to the successor employer effective on the
236 first day of the calendar quarter immediately after the
237 effective date of the transfer.

238 Section 3. This act shall take effect upon becoming a law.