

1 A bill to be entitled
 2 An act relating to unemployment compensation; amending
 3 s. 443.036, F.S.; updating and revising definitions;
 4 amending s. 443.101, F.S., relating to
 5 disqualification for benefits; revising the definition
 6 of the term "good cause"; amending ss. 443.1216 and
 7 443.131, F.S.; conforming cross-references; providing
 8 an effective date.

9

10 Be It Enacted by the Legislature of the State of Florida:

11

12 Section 1. Paragraph (c) of subsection (2), subsections
 13 (5), (11), and (14), paragraph (b) of subsection (15), and
 14 subsections (18), (20), (21), (23), (25), (27), (35), (39),
 15 (40), (46), and (47) of section 443.036, Florida Statutes, are
 16 amended to read:

17 443.036 Definitions.—As used in this chapter, the term:

18 (2) "Agricultural labor" means any remunerated service
 19 performed:

20 (c) In connection with the production or harvesting of ~~any~~
 21 ~~commodity defined as an agricultural commodity as defined in s.~~
 22 15(f) in s. 15(g) of the Agricultural Marketing Act, as amended,
 23 ~~(46 Stat. 1550, s. 3; 12 U.S.C. s. 1141j);~~ the ginning of
 24 cotton; or the operation or maintenance of ditches, canals,
 25 reservoirs, or waterways, not owned or operated for profit, used
 26 exclusively for supplying and storing water for farming
 27 purposes.

28 (5) "American vessel" means a ~~any~~ vessel documented or

29 | numbered under the laws of the United States. The term includes
 30 | a ~~any~~ vessel that is not ~~neither~~ documented or numbered under
 31 | the laws of the United States or a, ~~nor documented under the~~
 32 | ~~laws of any~~ foreign country, if its crew is employed solely by
 33 | one or more citizens or residents of the United States or
 34 | corporations organized under the laws of the United States or of
 35 | any state.

36 | (11) "Casual labor" means labor that is occasional,
 37 | incidental, or irregular, not exceeding 200 person-hours in
 38 | total duration. As used in this subsection, the term "duration"
 39 | means the period of time from the commencement to the completion
 40 | of the particular job or project. Services performed by an
 41 | employee for an ~~his or her~~ employer during ~~a period of~~ 1
 42 | calendar month or any 2 consecutive calendar months, ~~however,~~
 43 | are deemed to be casual labor only if the service is performed
 44 | on 10 or fewer calendar days, regardless of whether those days
 45 | are consecutive. If any of the services performed by an
 46 | individual on a particular labor project are not casual labor,
 47 | each of the services performed by the individual on that job or
 48 | project may not be deemed casual labor. Services must constitute
 49 | casual labor and may not be performed in the course of the
 50 | employer's trade or business in order for those services to be
 51 | exempt under this section.

52 | (14) "Contribution" means a payment of payroll tax to the
 53 | Unemployment Compensation Trust Fund ~~which is required under~~
 54 | ~~this chapter~~ to finance reemployment assistance benefits.

55 | (15) "Crew leader" means an individual who:

56 | (b) Pays, ~~either~~ on his or her own behalf or on behalf of

HB 261

2013

57 | the other person, the individuals furnished by him or her for
58 | the service in agricultural labor performed by those
59 | individuals.

60 | (18) "Employee leasing company" means an employing unit
61 | that has a valid and active license under chapter 468, and that
62 | maintains the records required by s. 443.171(5), and produces
63 | ~~in addition, is responsible for producing~~ quarterly reports
64 | concerning the clients and the internal staff of the employee
65 | leasing company ~~and the internal staff of the employee leasing~~
66 | ~~company~~. As used in this subsection, the term "client" means a
67 | party who has contracted with an employee leasing company that
68 | provides ~~to provide a worker, or workers,~~ to perform services
69 | for the client. Leased employees include employees subsequently
70 | placed on the payroll of the employee leasing company on behalf
71 | of the client. An employee leasing company must notify the tax
72 | collection service provider within 30 days after the initiation
73 | or termination of the company's relationship with any client
74 | company under chapter 468.

75 | (20) "Employing unit" means an individual; an ~~or type of~~
76 | organization, including a partnership, limited liability
77 | company, association, trust, estate, joint-stock company,
78 | insurance company, or corporation, whether domestic or foreign;
79 | the receiver, trustee in bankruptcy, trustee, or successor of
80 | any of the foregoing; or the legal representative of a deceased
81 | person, who ~~which~~ has or had in his or her ~~its~~ employ one or
82 | more individuals performing services for it within this state.

83 | (a) Each individual employed to perform or to assist in
84 | performing the work of any agent or employee of an employing

HB 261

2013

85 | unit is deemed to be employed by the employing unit ~~for the~~
86 | ~~purposes of this chapter,~~ regardless of whether the individual
87 | was hired or paid directly by the employing unit or by an agent
88 | or employee of the employing unit, if the employing unit had
89 | actual or constructive knowledge of the work.

90 | (b) Each individual performing services in this state for
91 | an employing unit maintaining at least two separate
92 | establishments in this state is deemed to be performing services
93 | for a single employing unit ~~for the purposes of this chapter.~~

94 | (c) A person who is an officer of a corporation, or a
95 | member of a limited liability company classified as a
96 | corporation for federal income tax purposes, and who performs
97 | services for the corporation or limited liability company in
98 | this state, regardless of whether those services are continuous,
99 | is deemed an employee of the corporation or the limited
100 | liability company during all of each week of his or her tenure
101 | of office, regardless of whether he or she is compensated for
102 | those services. Services are presumed to be rendered for the
103 | corporation if ~~in cases in which~~ the officer is compensated by
104 | means other than dividends upon shares of stock of the
105 | corporation owned by him or her.

106 | (d) A limited liability company shall be treated as having
107 | the same status as it is classified for federal income tax
108 | purposes. However, a single-member limited liability company
109 | shall be treated as the employer.

110 | (21) "Employment" means a service subject to ~~this chapter~~
111 | ~~under~~ s. 443.1216 which is performed by an employee for his or
112 | her employer ~~the person employing him or her.~~

HB 261

2013

113 (23) "Fund" means the Unemployment Compensation Trust Fund
114 ~~created under this chapter,~~ into which all contributions and
115 reimbursements required under this chapter are deposited and
116 from which all benefits provided under this chapter are paid.

117 (25) "Hospital" means an establishment ~~institution that is~~
118 licensed as a hospital under chapter 395, ~~certified, or approved~~
119 ~~by the Agency for Health Care Administration as a hospital.~~

120 (27) "Institution of higher education" means an
121 educational institution that:

122 (a) Admits as regular students only individuals having a
123 certificate of graduation from a high school, or the recognized
124 equivalent of a certificate of graduation;

125 (b) Is legally authorized in this state to provide a
126 program of education beyond high school;

127 (c) Provides an educational program that ~~for which it~~
128 awards a bachelor's or higher degree, or ~~provides a program~~ that
129 is acceptable for full credit toward a bachelor's or higher
130 degree; a program of postgraduate or postdoctoral studies; or a
131 program of training to prepare students for gainful employment
132 in a recognized occupation; and

133 (d) Is a public or other nonprofit institution.

134

135 The term includes each community college and state university in
136 this state, and any ~~each other~~ institution in this state
137 authorized ~~under s. 1005.03~~ to use the designation "college" or
138 "university-" under s. 1005.03.

139 (35) "Pay period" means ~~a period of~~ 31 or fewer
140 consecutive days for which a payment or remuneration is

141 ordinarily made to the employee by the person employing him or
142 her.

143 (39) "Reimbursement" means a payment of money to the
144 Unemployment Compensation Trust Fund in lieu of a contribution
145 ~~which is~~ required under this chapter to finance reemployment
146 assistance benefits.

147 (40) "Reimbursing employer" means an employer who is
148 liable for reimbursements in lieu of contributions made under
149 this chapter.

150 (46) "Wages" means remuneration ~~subject to this chapter~~
151 under s. 443.1217.

152 (47) "Week" means ~~a period of~~ 7 consecutive days as
153 defined in the rules of the Department of Economic Opportunity.
154 The department may by rule prescribe that a week is deemed to be
155 "in," "within," or "during" the benefit year that contains the
156 greater part of the week.

157 Section 2. Paragraph (a) of subsection (1) of section
158 443.101, Florida Statutes, is amended to read:

159 443.101 Disqualification for benefits.—An individual shall
160 be disqualified for benefits:

161 (1) (a) For the week in which he or she has voluntarily
162 left work without good cause attributable to his or her
163 employing unit or has been discharged by the employing unit for
164 misconduct connected with his or her work, based on a finding by
165 the Department of Economic Opportunity. As used in this
166 paragraph, the term "work" means any work, whether full-time,
167 part-time, or temporary.

168 1. Disqualification for voluntarily quitting continues for

HB 261

2013

169 the full period of unemployment next ensuing after the
170 individual has left his or her full-time, part-time, or
171 temporary work voluntarily without good cause and until the
172 individual has earned income equal to or greater than 17 times
173 his or her weekly benefit amount. ~~As used in this subsection,~~
174 ~~the term "good cause" includes only that cause attributable to~~
175 ~~the employing unit which would compel a reasonable employee to~~
176 ~~cease working or attributable to the individual's illness or~~
177 ~~disability requiring separation from his or her work.~~ Any other
178 disqualification may not be imposed. An individual is not
179 disqualified ~~under this subsection~~ for voluntarily leaving
180 temporary work to return immediately when called to work by the
181 permanent employing unit that temporarily terminated his or her
182 work within the previous 6 calendar months, or for voluntarily
183 leaving work to relocate as a result of his or her military-
184 connected spouse's permanent change of station orders,
185 activation orders, or unit deployment orders.

186 2. Disqualification for being discharged for misconduct
187 connected with his or her work continues for the full period of
188 unemployment next ensuing after having been discharged and until
189 the individual is reemployed and has earned income of at least
190 17 times his or her weekly benefit amount and for not more than
191 52 weeks immediately following that week, as determined by the
192 department in each case according to the circumstances or the
193 seriousness of the misconduct, under the department's rules for
194 determining ~~adopted for determinations of~~ disqualification for
195 benefits for misconduct.

196 3. If an individual has provided notification to the

197 | employing unit of his or her intent to voluntarily leave work
198 | and the employing unit discharges the individual for reasons
199 | other than misconduct before the date the voluntary quit was to
200 | take effect, the individual, if otherwise entitled, shall
201 | receive benefits from the date of the employer's discharge until
202 | the effective date of his or her voluntary quit.

203 | 4. If an individual is notified by the employing unit of
204 | the employer's intent to discharge the individual for reasons
205 | other than misconduct and the individual quits without good
206 | cause before the date the discharge was to take effect, the
207 | claimant is ineligible for benefits pursuant to s. 443.091(1)(d)
208 | for failing to be available for work for the week or weeks of
209 | unemployment occurring before the effective date of the
210 | discharge.

211 | 5. As used in this paragraph, the term "good cause" means:

212 | a. Cause attributable to the employing unit or an illness
213 | or disability that requires separation from work; or

214 | b. Domestic violence, as defined in s. 741.28, which
215 | causes the individual to reasonably believe that continued
216 | employment will jeopardize the individual's safety or the safety
217 | of a member of her or his immediate family. Such cause must be
218 | substantiated by evidence that reasonably proves that domestic
219 | violence has occurred, such as an injunction, protective order,
220 | or other such reasonable and confidential documentation
221 | authorized by state law.

222 | Section 3. Paragraph (a) of subsection (1), subsection
223 | (2), and paragraph (f) of subsection (13) of section 443.1216,
224 | Florida Statutes, are amended to read:

HB 261

2013

225 443.1216 Employment.—Employment, as defined in s. 443.036,
226 is subject to this chapter under the following conditions:

227 (1) (a) The employment ~~subject to this chapter~~ includes a
228 service performed, including a service performed in interstate
229 commerce, by:

230 1. An officer of a corporation.

231 2. An individual who, under the usual common-law rules
232 applicable for ~~in~~ determining the employer-employee
233 relationship, is an employee. However, if ~~whenever~~ a client who
234 ~~as defined in s. 443.036(18), which~~ would otherwise be
235 designated as an employing unit has contracted with an employee
236 leasing company to supply it with workers, those workers are
237 considered employees of the employee leasing company. An
238 employee leasing company may lease corporate officers of the
239 client to the client and other workers to the client, except as
240 prohibited by regulations of the Internal Revenue Service.
241 Employees of an employee leasing company must be reported under
242 the employee leasing company's tax identification number and
243 contribution rate for work performed for the employee leasing
244 company.

245 a. However, except for the internal employees of an
246 employee leasing company, each employee leasing company may make
247 a separate one-time election to report and pay contributions
248 under the tax identification number and contribution rate for
249 each client of the employee leasing company. Under the client
250 method, an employee leasing company choosing this option must
251 assign leased employees to the client company that is leasing
252 the employees. The client method is solely a method to report

253 and pay unemployment contributions, and, whichever method is
254 chosen, such election may not impact any other aspect of state
255 law. An employee leasing company that elects the client method
256 must pay contributions at the rates assigned to each client
257 company.

258 (I) The election applies to all of the employee leasing
259 company's current and future clients.

260 (II) The employee leasing company must notify the
261 Department of Revenue of its election by July 1, 2012, and such
262 election applies to reports and contributions for the first
263 quarter of the following calendar year. The notification must
264 include:

265 (A) A list of each client company and the unemployment
266 account number or, if one has not yet been issued, the federal
267 employment identification number, as established by the employee
268 leasing company upon the election to file by client method;

269 (B) A list of each client company's current and previous
270 employees and their respective social security numbers for the
271 prior 3 state fiscal years or, if the client company has not
272 been a client for the prior 3 state fiscal years, such portion
273 of the prior 3 state fiscal years that the client company has
274 been a client must be supplied;

275 (C) The wage data and benefit charges associated with each
276 client company for the prior 3 state fiscal years or, if the
277 client company has not been a client for the prior 3 state
278 fiscal years, such portion of the prior 3 state fiscal years
279 that the client company has been a client must be supplied. If
280 the client company's employment record is chargeable with

281 benefits for less than 8 calendar quarters while being a client
282 of the employee leasing company, the client company must pay
283 contributions at the initial rate of 2.7 percent; and

284 (D) The wage data and benefit charges for the prior 3
285 state fiscal years that cannot be associated with a client
286 company must be reported and charged to the employee leasing
287 company.

288 (III) Subsequent to choosing the client method, the
289 employee leasing company may not change its reporting method.

290 (IV) The employee leasing company shall file a Florida
291 Department of Revenue Employer's Quarterly Report for each
292 client company by approved electronic means, and pay all
293 contributions by approved electronic means.

294 (V) For the purposes of calculating experience rates when
295 the client method is chosen, each client's own benefit charges
296 and wage data experience while with the employee leasing company
297 determines each client's tax rate where the client has been a
298 client of the employee leasing company for at least 8 calendar
299 quarters before the election. The client company shall continue
300 to report the nonleased employees under its tax rate.

301 (VI) The election is binding on each client of the
302 employee leasing company for as long as a written agreement is
303 in effect between the client and the employee leasing company
304 pursuant to s. 468.525(3)(a). If the relationship between the
305 employee leasing company and the client terminates, the client
306 retains the wage and benefit history experienced under the
307 employee leasing company.

308 (VII) Notwithstanding which election method the employee

309 leasing company chooses, the applicable client company is an
310 employing unit for purposes of s. 443.071. The employee leasing
311 company or any of its officers or agents are liable for any
312 violation of s. 443.071 engaged in by such persons or entities.
313 The applicable client company or any of its officers or agents
314 are liable for any violation of s. 443.071 engaged in by such
315 persons or entities. The employee leasing company or its
316 applicable client company is not liable for any violation of s.
317 443.071 engaged in by the other party or by the other party's
318 officers or agents.

319 (VIII) If an employee leasing company fails to select the
320 client method of reporting not later than July 1, 2012, the
321 entity is required to report under the employee leasing
322 company's tax identification number and contribution rate.

323 (IX) After an employee leasing company is licensed
324 pursuant to part XI of chapter 468, each newly licensed entity
325 has 30 days after the date the license is granted to notify the
326 tax collection service provider in writing of their selection of
327 the client method. A newly licensed employee leasing company
328 that fails to timely select reporting pursuant to the client
329 method of reporting must report under the employee leasing
330 company's tax identification number and contribution rate.

331 (X) Irrespective of the election, each transfer of trade
332 or business, including workforce, or a portion thereof, between
333 employee leasing companies is subject to the provisions of s.
334 443.131(3)(g) if, at the time of the transfer, there is common
335 ownership, management, or control between the entities.

336 b. In addition to any other report required to be filed by

HB 261

2013

337 law, an employee leasing company shall submit a report to the
338 Labor Market Statistics Center within the Department of Economic
339 Opportunity which includes each client establishment and each
340 establishment of the leasing company, or as otherwise directed
341 by the department. The report must include the following
342 information for each establishment:

343 (I) The trade or establishment name;

344 (II) The former reemployment assistance account number, if
345 available;

346 (III) The former federal employer's identification number,
347 if available;

348 (IV) The industry code recognized and published by the
349 United States Office of Management and Budget, if available;

350 (V) A description of the client's primary business
351 activity in order to verify or assign an industry code;

352 (VI) The address of the physical location;

353 (VII) The number of full-time and part-time employees who
354 worked during, or received pay that was subject to reemployment
355 assistance taxes for, the pay period including the 12th of the
356 month for each month of the quarter;

357 (VIII) The total wages subject to reemployment assistance
358 taxes paid during the calendar quarter;

359 (IX) An internal identification code to uniquely identify
360 each establishment of each client;

361 (X) The month and year that the client entered into the
362 contract for services; and

363 (XI) The month and year that the client terminated the
364 contract for services.

365 c. The report must be submitted electronically or in a
366 manner otherwise prescribed by the Department of Economic
367 Opportunity in the format specified by the Bureau of Labor
368 Statistics of the United States Department of Labor for its
369 Multiple Worksite Report for Professional Employer
370 Organizations. The report must be provided quarterly to the
371 Labor Market Statistics Center within the department, or as
372 otherwise directed by the department, and must be filed by the
373 last day of the month immediately after the end of the calendar
374 quarter. The information required in sub-sub-subparagraphs b.(X)
375 and (XI) need be provided only in the quarter in which the
376 contract to which it relates was entered into or terminated. The
377 sum of the employment data and the sum of the wage data in this
378 report must match the employment and wages reported in the
379 reemployment assistance quarterly tax and wage report. A report
380 is not required for any calendar quarter preceding the third
381 calendar quarter of 2010.

382 d. The department shall adopt rules as necessary to
383 administer this subparagraph, and may administer, collect,
384 enforce, and waive the penalty imposed by s. 443.141(1)(b) for
385 the report required by this subparagraph.

386 e. For the purposes of this subparagraph, the term
387 "establishment" means any location where business is conducted
388 or where services or industrial operations are performed.

389 3. An individual other than an individual who is an
390 employee under subparagraph 1. or subparagraph 2., who performs
391 services for remuneration for any person:

392 a. As an agent-driver or commission-driver engaged in

HB 261

2013

393 distributing meat products, vegetable products, fruit products,
394 bakery products, beverages other than milk, or laundry or
395 drycleaning services for his or her principal.

396 b. As a traveling or city salesperson engaged on a full-
397 time basis in the solicitation on behalf of, and the
398 transmission to, his or her principal of orders from
399 wholesalers, retailers, contractors, or operators of hotels,
400 restaurants, or other similar establishments for merchandise for
401 resale or supplies for use in the business operations. This sub-
402 subparagraph does not apply to an agent-driver or a commission-
403 driver, or ~~and does not apply to~~ sideline sales activities
404 performed on behalf of a person other than the salesperson's
405 principal.

406 4. The services described in subparagraph 3. are
407 employment subject to this chapter only if:

408 a. The contract of service contemplates that substantially
409 all of the services are to be performed personally by the
410 individual;

411 b. The individual does not have a substantial investment
412 in facilities used in connection with the services, other than
413 facilities used for transportation; and

414 c. The services are not in the nature of a single
415 transaction that is not part of a continuing relationship with
416 the person for whom the services are performed.

417 (2) The employment subject to this chapter includes
418 service performed in the employ of a public employer ~~as defined~~
419 ~~in s. 443.036~~, if the service is excluded from the definition of
420 "employment" in s. 3306(c)(7) of the Federal Unemployment Tax

421 Act and is not excluded from the employment subject to this
 422 chapter under subsection (4).

423 (13) The following are exempt from coverage under this
 424 chapter:

425 (f) Service performed in the employ of a public employer
 426 ~~as defined in s. 443.036~~, except as provided in subsection (2),
 427 and service performed in the employ of an instrumentality of a
 428 public employer as described in s.443.036(36)(b) or (c), to the
 429 extent that the instrumentality is immune under the United
 430 States Constitution from the tax imposed by s. 3301 of the
 431 Internal Revenue Code for that service.

432 Section 4. Paragraph (f) of subsection (3) of section
 433 443.131, Florida Statutes, is amended to read:

434 443.131 Contributions.—

435 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
 436 EXPERIENCE.—

437 (f) *Transfer of employment records.*—

438 1. For the purposes of this subsection, two or more
 439 employers who are parties to a transfer of business or the
 440 subject of a merger, consolidation, or other form of
 441 reorganization, effecting a change in legal identity or form,
 442 are deemed a single employer and are considered to be one
 443 employer with a continuous employment record if the tax
 444 collection service provider finds that the successor employer
 445 continues to carry on the employing enterprises of all of the
 446 predecessor employers, and that the successor employer has paid
 447 all contributions required of and due from all of the
 448 predecessor employers, and has assumed liability for all

449 contributions that may become due from all of the predecessor
450 employers. ~~In addition,~~ An employer may not be considered a
451 successor under this subparagraph if the employer purchases a
452 company with a lower rate into which employees with job
453 functions unrelated to the business endeavors of the predecessor
454 are transferred for the purpose of acquiring the low rate and
455 avoiding payment of contributions. ~~As used in this paragraph,~~
456 Notwithstanding s. 443.036(14), the term "contributions," as
457 used in this paragraph, means all indebtedness to the tax
458 collection service provider, including, but not limited to,
459 interest, penalty, collection fee, and service fee.

460 2. A successor employer must accept the transfer of all of
461 the predecessor employers' employment records within 30 days
462 after the date of the official notification of liability by
463 succession. If a predecessor employer has unpaid contributions
464 or outstanding quarterly reports, the successor employer must
465 pay the total amount with certified funds within 30 days after
466 the date of the notice listing the total amount due. After the
467 total indebtedness is paid, the tax collection service provider
468 shall transfer the employment records of all of the predecessor
469 employers to the successor employer's employment record. The tax
470 collection service provider shall determine the contribution
471 rate of the combined successor and predecessor employers upon
472 the transfer of the employment records, as prescribed by rule,
473 in order to calculate any change in the contribution rate
474 resulting from the transfer of the employment records.

475 ~~3.2.~~ Regardless of whether a predecessor employer's
476 employment record is transferred to a successor employer under

477 | this paragraph, the tax collection service provider shall treat
478 | the predecessor employer, if he or she subsequently employs
479 | individuals, as an employer without a previous employment record
480 | or, if his or her coverage is terminated under s. 443.121, as a
481 | new employing unit.

482 | ~~4.3.~~ The state agency providing reemployment assistance
483 | tax collection services may adopt rules governing the partial
484 | transfer of experience rating when an employer transfers an
485 | identifiable and segregable portion of his or her payrolls and
486 | business to a successor employing unit. As a condition of each
487 | partial transfer, these rules must require the following to be
488 | filed with the tax collection service provider: an application
489 | by the successor employing unit, an agreement by the predecessor
490 | employer, and the evidence required by the tax collection
491 | service provider to show the benefit experience and payrolls
492 | attributable to the transferred portion through the date of the
493 | transfer. These rules must provide that the successor employing
494 | unit, if not an employer subject to this chapter, becomes an
495 | employer as of the date of the transfer and that the transferred
496 | portion of the predecessor employer's employment record is
497 | removed from the employment record of the predecessor employer.
498 | For each calendar year after the date of the transfer of the
499 | employment record in the records of the tax collection service
500 | provider, the service provider shall compute the contribution
501 | rate payable by the successor employer or employing unit based
502 | on his or her employment record, combined with the transferred
503 | portion of the predecessor employer's employment record. These
504 | rules may also prescribe what contribution rates are payable by

HB 261

2013

505 | the predecessor and successor employers for the period between
506 | the date of the transfer of the transferred portion of the
507 | predecessor employer's employment record in the records of the
508 | tax collection service provider and the first day of the next
509 | calendar year.

510 | 5.4. This paragraph does not apply to an employee leasing
511 | company and client contractual agreement ~~as defined in s.~~
512 | ~~443.036~~, except as provided in s. 443.1216(1)(a)2.a. The tax
513 | collection service provider shall, if the contractual agreement
514 | is terminated or the employee leasing company fails to submit
515 | reports or pay contributions as required by the service
516 | provider, treat the client as a new employer without previous
517 | employment record unless the client is otherwise eligible for a
518 | variation from the standard rate.

519 | Section 5. This act shall take effect July 1, 2013.