

By the Committee on Commerce and Tourism; and Senator Braynon

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1 A bill to be entitled
2 An act relating to Reemployment Assistance Program Law
3 contribution rates; amending s. 443.131, F.S.;
4 providing an adjustment, beginning on a specified
5 date, to the contribution rate of the reemployment
6 assistance tax for specified employers; providing that
7 the adjustment may not be in effect during certain
8 years; conforming a provision to changes made by the
9 act; providing a contingent effective date.

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

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13 Section 1. Paragraph (e) of subsection (3) of section
14 443.131, Florida Statutes, is amended to read:

15 443.131 Contributions.—

16 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
17 EXPERIENCE.—

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

19 1. As used in this paragraph, the terms "total benefit
20 payments," "benefits paid to an individual," and "benefits
21 charged to the employment record of an employer" mean the amount
22 of benefits paid to individuals multiplied by:

23 a. For benefits paid prior to July 1, 2007, 1.

24 b. For benefits paid during the period beginning on July 1,
25 2007, and ending March 31, 2011, 0.90.

26 c. For benefits paid after March 31, 2011, 1.

27 2. For the calculation of contribution rates effective
28 January 1, 2012, and thereafter:

29 a. The tax collection service provider shall assign a

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30 variation from the standard rate of contributions for each
31 calendar year to each eligible employer. In determining the
32 contribution rate, varying from the standard rate to be assigned
33 each employer, adjustment factors computed under sub-sub-
34 subparagraphs (I)-(IV) are added to the benefit ratio. This
35 addition shall be accomplished in two steps by adding a variable
36 adjustment factor and a final adjustment factor. The sum of
37 these adjustment factors computed under sub-sub-subparagraphs
38 (I)-(IV) shall first be algebraically summed. The sum of these
39 adjustment factors shall next be divided by a gross benefit
40 ratio determined as follows: Total benefit payments for the 3-
41 year period described in subparagraph (b)3. are charged to
42 employers eligible for a variation from the standard rate, minus
43 excess payments for the same period, divided by taxable payroll
44 entering into the computation of individual benefit ratios for
45 the calendar year for which the contribution rate is being
46 computed. The ratio of the sum of the adjustment factors
47 computed under sub-sub-subparagraphs (I)-(IV) to the gross
48 benefit ratio is multiplied by each individual benefit ratio
49 that is less than the maximum contribution rate to obtain
50 variable adjustment factors; except that if the sum of an
51 employer's individual benefit ratio and variable adjustment
52 factor exceeds the maximum contribution rate, the variable
53 adjustment factor is reduced in order for the sum to equal the
54 maximum contribution rate. The variable adjustment factor for
55 each of these employers is multiplied by his or her taxable
56 payroll entering into the computation of his or her benefit
57 ratio. The sum of these products is divided by the taxable
58 payroll of the employers who entered into the computation of

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59 their benefit ratios. The resulting ratio is subtracted from the
60 sum of the adjustment factors computed under sub-sub-
61 subparagraphs (I)-(IV) to obtain the final adjustment factor.
62 The variable adjustment factors and the final adjustment factor
63 must be computed to five decimal places and rounded to the
64 fourth decimal place. This final adjustment factor is added to
65 the variable adjustment factor and benefit ratio of each
66 employer to obtain each employer's contribution rate. However,
67 except for the adjustment provided in sub-subparagraph c., an
68 employer's contribution rate may not, ~~however,~~ be rounded to
69 less than 0.1 percent.

70 (I) An adjustment factor for noncharge benefits is computed
71 to the fifth decimal place and rounded to the fourth decimal
72 place by dividing the amount of noncharge benefits during the 3-
73 year period described in subparagraph (b)3. by the taxable
74 payroll of employers eligible for a variation from the standard
75 rate who have a benefit ratio for the current year which is less
76 than the maximum contribution rate. For purposes of computing
77 this adjustment factor, the taxable payroll of these employers
78 is the taxable payrolls for the 3 years ending June 30 of the
79 current calendar year as reported to the tax collection service
80 provider by September 30 of the same calendar year. As used in
81 this sub-sub-subparagraph, the term "noncharge benefits" means
82 benefits paid to an individual from the Unemployment
83 Compensation Trust Fund, but which were not charged to the
84 employment record of any employer.

85 (II) An adjustment factor for excess payments is computed
86 to the fifth decimal place, and rounded to the fourth decimal
87 place by dividing the total excess payments during the 3-year

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88 period described in subparagraph (b)3. by the taxable payroll of
89 employers eligible for a variation from the standard rate who
90 have a benefit ratio for the current year which is less than the
91 maximum contribution rate. For purposes of computing this
92 adjustment factor, the taxable payroll of these employers is the
93 same figure used to compute the adjustment factor for noncharge
94 benefits under sub-sub-subparagraph (I). As used in this sub-
95 subparagraph, the term "excess payments" means the amount of
96 benefits charged to the employment record of an employer during
97 the 3-year period described in subparagraph (b)3., less the
98 product of the maximum contribution rate and the employer's
99 taxable payroll for the 3 years ending June 30 of the current
100 calendar year as reported to the tax collection service provider
101 by September 30 of the same calendar year. As used in this sub-
102 sub-subparagraph, the term "total excess payments" means the sum
103 of the individual employer excess payments for those employers
104 that were eligible for assignment of a contribution rate
105 different from the standard rate.

106 (III) With respect to computing a positive adjustment
107 factor:

108 (A) Beginning January 1, 2012, if the balance of the
109 Unemployment Compensation Trust Fund on September 30 of the
110 calendar year immediately preceding the calendar year for which
111 the contribution rate is being computed is less than 4 percent
112 of the taxable payrolls for the year ending June 30 as reported
113 to the tax collection service provider by September 30 of that
114 calendar year, a positive adjustment factor shall be computed.
115 The positive adjustment factor is computed annually to the fifth
116 decimal place and rounded to the fourth decimal place by

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117 dividing the sum of the total taxable payrolls for the year
118 ending June 30 of the current calendar year as reported to the
119 tax collection service provider by September 30 of that calendar
120 year into a sum equal to one-fifth of the difference between the
121 balance of the fund as of September 30 of that calendar year and
122 the sum of 5 percent of the total taxable payrolls for that
123 year. The positive adjustment factor remains in effect for
124 subsequent years until the balance of the Unemployment
125 Compensation Trust Fund as of September 30 of the year
126 immediately preceding the effective date of the contribution
127 rate equals or exceeds 4 percent of the taxable payrolls for the
128 year ending June 30 of the current calendar year as reported to
129 the tax collection service provider by September 30 of that
130 calendar year.

131 (B) Beginning January 1, 2018, and for each year
132 thereafter, the positive adjustment shall be computed by
133 dividing the sum of the total taxable payrolls for the year
134 ending June 30 of the current calendar year as reported to the
135 tax collection service provider by September 30 of that calendar
136 year into a sum equal to one-fourth of the difference between
137 the balance of the fund as of September 30 of that calendar year
138 and the sum of 5 percent of the total taxable payrolls for that
139 year. The positive adjustment factor remains in effect for
140 subsequent years until the balance of the Unemployment
141 Compensation Trust Fund as of September 30 of the year
142 immediately preceding the effective date of the contribution
143 rate equals or exceeds 4 percent of the taxable payrolls for the
144 year ending June 30 of the current calendar year as reported to
145 the tax collection service provider by September 30 of that

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146 calendar year.

147 (IV) If, beginning January 1, 2015, and each year
148 thereafter, the balance of the Unemployment Compensation Trust
149 Fund as of September 30 of the year immediately preceding the
150 calendar year for which the contribution rate is being computed
151 exceeds 5 percent of the taxable payrolls for the year ending
152 June 30 of the current calendar year as reported to the tax
153 collection service provider by September 30 of that calendar
154 year, a negative adjustment factor must be computed. The
155 negative adjustment factor shall be computed annually beginning
156 on January 1, 2015, and each year thereafter, to the fifth
157 decimal place and rounded to the fourth decimal place by
158 dividing the sum of the total taxable payrolls for the year
159 ending June 30 of the current calendar year as reported to the
160 tax collection service provider by September 30 of the calendar
161 year into a sum equal to one-fourth of the difference between
162 the balance of the fund as of September 30 of the current
163 calendar year and 5 percent of the total taxable payrolls of
164 that year. The negative adjustment factor remains in effect for
165 subsequent years until the balance of the Unemployment
166 Compensation Trust Fund as of September 30 of the year
167 immediately preceding the effective date of the contribution
168 rate is less than 5 percent, but more than 4 percent of the
169 taxable payrolls for the year ending June 30 of the current
170 calendar year as reported to the tax collection service provider
171 by September 30 of that calendar year. The negative adjustment
172 authorized by this section is suspended in any calendar year in
173 which repayment of the principal amount of an advance received
174 from the federal Unemployment Compensation Trust Fund under 42

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175 U.S.C. s. 1321 is due to the Federal Government.

176 (V) The maximum contribution rate that may be assigned to
177 an employer is 5.4 percent, except employers participating in an
178 approved short-time compensation plan may be assigned a maximum
179 contribution rate that is 1 percent greater than the maximum
180 contribution rate for other employers in any calendar year in
181 which short-time compensation benefits are charged to the
182 employer's employment record.

183 (VI) As used in this subsection, "taxable payroll" shall be
184 determined by excluding any part of the remuneration paid to an
185 individual by an employer for employment during a calendar year
186 in excess of the first \$7,000. Beginning January 1, 2012,
187 "taxable payroll" shall be determined by excluding any part of
188 the remuneration paid to an individual by an employer for
189 employment during a calendar year as described in s.

190 443.1217(2). For the purposes of the employer rate calculation
191 that will take effect in January 1, 2012, and in January 1,
192 2013, the tax collection service provider shall use the data
193 available for taxable payroll from 2009 based on excluding any
194 part of the remuneration paid to an individual by an employer
195 for employment during a calendar year in excess of the first
196 \$7,000, and from 2010 and 2011, the data available for taxable
197 payroll based on excluding any part of the remuneration paid to
198 an individual by an employer for employment during a calendar
199 year in excess of the first \$8,500.

200 b. If the transfer of an employer's employment record to an
201 employing unit under paragraph (f) which, before the transfer,
202 was an employer, the tax collection service provider shall
203 recompute a benefit ratio for the successor employer based on

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204 the combined employment records and reassign an appropriate
205 contribution rate to the successor employer effective on the
206 first day of the calendar quarter immediately after the
207 effective date of the transfer.

208 c. Beginning January 1, 2019, the tax collection service
209 provider shall adjust the contribution rate of each employer
210 with an initial or variable rate below the maximum contribution
211 rate of 5.4 percent provided in sub-sub-subparagraph a.(V) to a
212 rate computed by subtracting one one-hundredth of 1 percent from
213 the rate otherwise computed under this section. However, the
214 adjustment provided in this sub-subparagraph may not be in
215 effect for any year in which the balance in the Unemployment
216 Compensation Trust Fund requires the computation of a positive
217 adjustment factor as provided in sub-sub-subparagraph a.(III).

218 Section 2. This act shall take effect on the same date that
219 SB 1122 or similar legislation takes effect, if such legislation
220 is enacted in the same legislative session or an extension
221 thereof and becomes a law.