

By Senator Braynon

35-02060-19

2019638\_\_

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.

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

12  
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

35-02060-19

2019638\_\_

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

35-02060-19

2019638\_\_

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

35-02060-19

2019638\_\_

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

35-02060-19

2019638\_\_

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

35-02060-19

2019638\_\_

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

35-02060-19

2019638\_\_

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

35-02060-19

2019638\_\_

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, 2020, 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 \_\_\_\_ 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.