

CS/CS/SB 1736 — Unemployment Compensation

by Policy & Steering Committee on Ways and Means; Commerce Committee; and Senators Garcia and Wilson

The bill makes several changes to laws related to unemployment compensation.

Temporary State Extended Unemployment Compensation Benefits

The bill provides for an extension of the temporary state extended benefits program, effective February 27, 2010, through June 2, 2010. The extension will cover up to 14 additional weeks of temporary state extended benefits for claimants. The temporary state extended benefits for former private sector employees are 100 percent federally funded (approximately \$128.1 million). About 107,000 Floridians will be eligible to receive additional weeks through this extension.

Extended benefits for former state and local government employees do not qualify for federal funding and must be paid by the governmental entity. The cost is estimated to total \$3.6 million; approximately \$1.1 million from state funds and \$2.6 million from local government funds.

Reemployment of Unemployment Compensation Claimants

The bill amends Unemployment Compensation (UC) law to require that registration with the workforce information system (Employ Florida Marketplace) be incorporated into the process for filing a claim. Also, claimants are required to report to their local one-stop center. The purpose is to better link claimants with the state's job bank system and available job opportunities.

Employer Response to Notice of Claim

When a claim is first filed, employers receive a notice of claim and monetary determination. If the Agency for Workforce Innovation receives information that may result in a denial of benefits, the agency is required to investigate the claim and provide employers with a nonmonetary determination, as applicable. A notice of claim is sent to a claimant's most recent employer and all employers whose employment records are liable for benefits under a monetary determination. The bill requires employers to timely respond to the notice of claim within 20 days. Failure to do so will result in those benefits being charged to the employer's account. Such efforts will reduce overpayments to unemployed individuals, and in turn, this will reduce the burden of socialized costs on all employers' UC tax rates; however, a claimant would not be required to repay any overpayments due to the employer's failure to respond, so long as there is no fraud involved.

Unemployment Compensation Trust Fund Trigger

The bill changes the trust fund balance date for trigger calculation from June 30 to September 30, which is closer to the beginning of the year to which the tax calculation applies.

Unemployment Compensation Tax Administration

This bill includes several statutory changes that will reduce the burden of socialized costs on Florida employers, improve tax administration by increasing efficiency and reducing related costs, and improve enforcement of UC tax laws by the Department of Revenue. The bill:

- Specifies the duration for tax liens for unemployment compensation taxes as 10 years;
- Authorizes the department to reduce a tax refund or credit owing to a taxpayer to the extent of liability for unemployment compensation taxes;
- Conforms cross-references in unemployment compensation statutes;
- Provides for the treatment of a single-member limited liability company as the employer for purposes of unemployment compensation law, consistent with Internal Revenue Service regulations; and
- Increases penalties for erroneous, incomplete, or insufficient reports submitted by employers to the Department of Revenue for unemployment compensation tax purposes.

If approved by the Governor, these provisions take effect upon becoming law, unless otherwise specifically stated in the act.

Vote: Senate 34-0; House 113-2