

ENROLLED ACT NO. 73, HOUSE OF REPRESENTATIVES

FIFTY-SEVENTH LEGISLATURE OF THE STATE OF WYOMING
2003 GENERAL SESSION

AN ACT relating to unemployment insurance; reducing the taxable wage base on which employers pay unemployment tax; reducing the adjustment factor threshold; eliminating the existing tax diversion into the unemployment trust fund; increasing amounts flowing into the employment support fund; and providing for effective dates.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 27-3-505(b) is amended to read:

27-3-505. Adjustment for noncharged and ineffectively charged benefits; adjustment for positive and negative fund balance; computations; exception; maximum rate.

(b) If the fund balance on October 31 of the year immediately preceding the calendar year for which the contribution rate is being computed is less than ~~four percent (4%)~~ three and one-half percent (3½%) of the total payrolls reported to the department by September 30 for that year ending June 30, a positive fund balance adjustment factor shall be computed. The adjustment factor shall be computed annually to the fourth decimal by dividing the total reported taxable payrolls for the year ending June 30 of the year immediately preceding the calendar year for which the contribution rate is being computed, into a sum equal to twenty-five percent (25%) of the difference between the amount in the fund on October 31 of the same year and five percent (5%) of the total payrolls for that year ending June 30. The adjustment factor shall be effective until the fund balance on October 31 of the year immediately preceding the effective date of the contribution rate equals ~~four percent (4%)~~ three and one-half percent (3½%) or more of the total payrolls for that year ending June 30.

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Section 2. W.S. 27-3-201(b)(i), 27-3-202(b), 27-3-503(b), (e) and (f) and 27-3-505(a), (c) and (d) are amended to read:

27-3-201. Establishment and composition of unemployment compensation fund.

(b) The fund shall consist of:

(i) Contributions collected under this act, excluding ~~any special reserve contribution rate imposed under W.S. 27-3-503(g) and~~ revenues for the employment support fund under W.S. 27-3-505(a);

27-3-202. Administration of fund.

(b) All funds payable to the fund shall be deposited by the department or its authorized representative with the state treasurer in the clearing account. In addition, all funds collected from the ~~special reserve contribution rate imposed under W.S. 27-3-503(g) and from the~~ employment support fund under W.S. 27-3-505(a) shall be deposited by the department in the clearing account, for clearance only, and shall not become a part of the fund. ~~After clearance, funds collected from the special rate shall be immediately deposited within the state unemployment insurance trust fund created under W.S. 27-3-209.~~ After clearance, funds collected for the employment support fund under W.S. 27-3-505(a) shall be deposited in the employment support fund created by W.S. 27-3-211. Thereafter, refunds payable pursuant to W.S. 27-3-515 may be paid from the clearing account upon warrants issued by the treasurer under regulation of the commission. Remaining funds in the clearing account shall be immediately deposited with the United States secretary of the treasury in Wyoming's

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account within the unemployment trust fund established pursuant to 42 U.S.C. § 1104(e).

27-3-503. Payment; base rate; failure to pay; rate variations; benefit ratio; new employer rate; special reserve rate.

(b) Except as otherwise provided by law, the base rate of contributions assigned to any employer is eight and one-half percent (8.5%) for 1988 and each calendar year thereafter subject to rate variations under subsections (d) and (f) of this section in addition to ~~a special reserve contribution rate assigned under subsection (g) of this section and~~ the adjustment factors computed under W.S. 27-3-505. For calendar year 2003, the base rate assigned to any employer under this subsection or any variation assigned under subsection (d) of this section shall be reduced by twenty-five percent (25%). ~~The base rate assigned to any employer under this subsection or any rate variation assigned under subsection (d) or (f) of this section shall be reduced by twenty percent (20%) for any calendar year in which a special reserve contribution rate is imposed under subsection (g) of this section.~~ For the calendar year 2004, the base rate assigned to any employer under this subsection or any variation assigned under subsection (d) of this section shall be reduced by fourteen percent (14%). Except as hereafter provided, a contributing employer failing to pay all contributions, interest and penalties or to submit all quarterly contribution reports due on his account or any account assumed under W.S. 27-3-507 on or before September 30 preceding the effective date of his assigned rate shall be assigned a delinquent rate which shall include a two percent (2%) tax rate increase in his base rate and shall also include in addition thereto the adjustment factors for the next calendar year beginning January 1. The delinquent rate

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shall not exceed the maximum assignable rate. The delinquent rate shall continue to be assigned through and including the calendar quarter in which the delinquent employer satisfies his delinquent account by submitting all payments and contribution reports due. Upon satisfaction of the delinquent account, the contributing employer shall be assigned the contribution rate otherwise applicable under this article beginning the next full calendar quarter. Provided however, that a delinquent employer shall pay an assigned delinquent rate for at least the first quarter even if the account is satisfied before January 1 of the new calendar year.

(e) Benefit ratios shall be computed for those employers whose accounts have been chargeable for benefits throughout the employer's experience period. An employer's benefit ratio shall be the contribution rate provided his rate is not more than eight and one-half percent (8.5%) in addition to the adjustment factors computed under W.S. 27-3-505. ~~and the special reserve rate imposed under subsection (g).~~ Benefit ratios shall be computed to the fourth decimal on the basis of the experience period preceding the calculation date of the rate.

(f) Any new employer not previously subject to this act or having no established experience period shall pay contributions at a rate equal to the average rate of contributions paid by his major industrial classification for the calendar year preceding the year in which he first employed workers in this state in addition to the adjustment factors computed under W.S. 27-3-505. In no case, however, will any new employer be assigned a rate of less than one percent (1%), plus the adjustment factors computed under W.S. 27-3-505. ~~and the special reserve rate imposed under subsection (g).~~ This rate shall be adjusted annually and the rate shall remain in effect until the

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employer has established an experience period in accordance with this article. The commission shall by rule and regulation develop the major industrial classifications for the state and the department shall annually determine the contribution rate for each classification based upon contributions paid during the preceding calendar year.

27-3-505. Adjustment for noncharged and ineffectively charged benefits; adjustment for positive and negative fund balance; computations; exception; maximum rate.

(a) An adjustment factor for noncharged and ineffectively charged benefits shall be computed to the fourth decimal by dividing the total noncharged and ineffectively charged benefits to all employers' experience rating accounts during the experience rating period ending June 30 by the total taxable wages payable during the experience period and added to the rate provided by W.S. 27-3-503. The total taxable wages payable under this subsection shall not include wages payable by employers electing payments instead of contributions under W.S. 27-3-509. ~~Eighty percent (80%)~~ Sixty percent (60%) of this adjustment factor shall be allocated to the unemployment compensation fund. ~~Twenty percent (20%)~~ Forty percent (40%) of this adjustment factor shall be allocated to the employment support fund created by W.S. 27-3-211.

(c) If the fund balance on October 31 of the year immediately preceding the calendar year for which the contribution rate is being computed exceeds ~~five percent (5%)~~ four percent (4%) of the total payrolls reported to the department by September 30 for that year ending June 30, a negative fund balance adjustment factor shall be computed. The negative adjustment factor shall be computed annually to the fourth decimal by dividing the total reported taxable payrolls for the year ending June 30 of

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the year immediately preceding the calendar year for which the contribution rate is being computed, into a sum equal to twenty-five percent (25%) of the difference between the amount in the fund as of October 31 of the same year and ~~five percent (5%)~~ four percent (4%) of the total payrolls for that year ending June 30. The adjustment factor shall be effective until the fund balance on October 31 of the year immediately preceding the effective date of the contribution rate is equal to or less than ~~five percent (5%) and more than~~ four percent (4%) of the total payrolls for that year ending June 30.

(d) The adjustment factors computed pursuant to this section are separate from an employer's experience rating, shall be algebraically added to the employer's contribution rate and payable by each employer subject to this article. The adjustment factor computed under subsection (c) of this section shall be algebraically added only to the contribution rate of those employers eligible for an experience rating. ~~For purposes of this section, the employer's contribution rate includes any special reserve rate imposed under W.S. 27-3-503(g)~~ The adjustment factors applied to an employer's contribution rate shall not be less than zero (0).

Section 3. W.S. 27-3-503(g) is repealed.

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Section 4.

(a) Except as provided in subsection (b) of this section, this act is effective January 1, 2004.

(b) Section 1 of this act is effective July 1, 2003.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk