

1 HOUSE BILL NO. 256
 2 INTRODUCED BY Dwight Thomas
 3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE CRITERIA
 6 FOR QUALIFYING WAGES USED TO DETERMINE ELIGIBILITY FOR
 7 UNEMPLOYMENT INSURANCE BENEFITS; TO CHANGE THE FORMULA USED
 8 TO CALCULATE THE AMOUNT OF WEEKLY UNEMPLOYMENT INSURANCE
 9 BENEFITS; AMENDING SECTIONS 39-51-2105, 39-51-2201, AND
 10 39-51-2204, MCA; AND PROVIDING AN EFFECTIVE DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 39-51-2105, MCA, is amended to read:

14 *39-51-2105. **Qualifying wages.** (1) To qualify for
 15 benefits, an individual must have ~~had-at-least-20-weeks-of~~
 16 work-with-an-average-of-\$50-per-week-in--subject been paid
 17 total wages for employment in the base period; in an amount:

18 (1) not less than 1 1/2 times the wages earned in the
 19 calendar quarter in which wages were the highest during the
 20 base period; however, the total wages in the base period
 21 must be equal to or greater than 7% of the average annual
 22 wage described in 39-51-2201; or

23 ~~(2) On-and-after-July-57-1987-to-qualify-for-benefits,~~
 24 ~~an--individual's-total-base-period-wages-must-be~~ equal to or
 25 greater than 7% 50% of the average annual wage as described

1 in 39-51-2201(2). ~~To-qualify-for-benefits--an-individual's~~
 2 ~~total-base-period-wages-must-be-\$1,000-or-more."~~

3 **Section 2.** Section 39-51-2201, MCA, is amended to read:

4 "39-51-2201. **Weekly benefit amount -- determination of**
 5 **average weekly wage.** (1) For claims filed before July 7,
 6 1985, an eligible individual's weekly benefit amount shall
 7 be the total base period wages divided by the number of
 8 weeks of covered employment times 50%. The weekly benefit
 9 amount, if not a multiple of \$1, must be rounded to the
 10 nearest lower full dollar amount. However, such amount shall
 11 not be less than the minimum or more than the maximum weekly
 12 benefit amount. For claims effective July 7, 1985, and after
 13 filed before July 7, 1991, an individual's weekly benefit
 14 amount shall be the total base period wages divided by the
 15 number of weeks of covered employment times 49%. The weekly
 16 benefit amount, if not a multiple of \$1, must be rounded to
 17 the nearest lower full dollar amount. However, such amount
 18 shall not be less than the minimum or more than the maximum
 19 weekly benefit amount.

20 (2) For claims filed on or after July 7, 1991, an
 21 individual's weekly benefit amount must be an amount equal
 22 to 1% of the total base period wages or equal to 1.9% of the
 23 total wages paid in the 2 calendar quarters in which wages
 24 were the highest during the base period. The weekly benefit
 25 amount, if not a multiple of \$1, must be rounded to the



1 nearest lower full dollar amount. However, the amount may
 2 not be less than the minimum or more than the maximum weekly
 3 benefit amount.

4 ~~(2)~~(3) On or before May 31 of each year, the total
 5 wages paid by all employers as reported on contribution
 6 reports submitted on or before such date for the preceding
 7 calendar year shall be divided by the average monthly number
 8 of individuals employed during the same preceding calendar
 9 year as reported on such contribution reports. The amount
 10 thus obtained is the average annual wage. The average annual
 11 wage shall--be divided by 52 and the average weekly wage,
 12 rounded to the nearest cent, thus-determined is the average
 13 weekly wage. Sixty percent of the average weekly wage shall
 14 constitute the maximum weekly benefit amount and shall apply
 15 to all maximum weekly benefit amount claims for benefits
 16 filed to establish a benefit year commencing on or after
 17 July 1 of the same year, except that the maximum weekly
 18 benefit amount for benefit years commencing on or after July
 19 1, 1984, through January 3, 1987, is the amount calculated
 20 under this subsection after January 1, 1984, and on or
 21 before May 31, 1984. Such maximum weekly benefit amount, if
 22 not a multiple of \$1, shall be computed to the nearest lower
 23 full dollar amount.

24 ~~(3)~~(4) The minimum weekly benefit amount shall be 15%
 25 of the average weekly wage. The minimum weekly benefit

1 amount, if not a multiple of \$1, shall be computed to the
 2 nearest lower full dollar amount."

3 **Section 3.** Section 39-51-2204, MCA, is amended to read:

4 "39-51-2204. **Maximum benefit amount.** Any otherwise
 5 eligible individual is entitled during the individual's
 6 benefit year to a total amount of benefits equal to the
 7 individual's weekly benefit amount, as calculated according
 8 to 39-51-2201~~(1)~~, times the number of full weeks of benefit
 9 entitlement appearing in the following table in the line
 10 which includes the individual's ratio of total base period
 11 earnings to the highest quarter of earnings in the base
 12 period:

Ratio of Total Base Period			Full Weeks of Benefits
Earnings to High Quarter			
At Least	But Less Than		
1.00	1.25		8
1.25	1.50		10
1.50	1.75		12
1.75	2.00		14
2.00	2.25		16
2.25	2.50		18
2.50	2.75		20
2.75	3.00		22
3.00	3.25		24
3.25	--		26"

LC 0757/01

1 NEW SECTION. **Section 4.** **Effective date.** [This act] is
2 effective July 7, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0256, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill to change the criteria for qualifying wages used to determine eligibility for unemployment insurance benefits and to change the formula used to calculate the amount of weekly unemployment insurance benefits.

ASSUMPTIONS:

1. The estimate of the fiscal impact of HB0256 in FY92-93 is based on actual FY90 claimant data. Simulations using FY89 and FY88 data produced similar results.
2. Virtually no change would occur in the total number of beneficiaries although the mix of beneficiaries would change. In FY90, an additional 615 claimants who were ineligible under current law would have become eligible under HB0256 and an additional 627 claimants who were eligible under current law would have become ineligible under HB0256.
3. The newly eligible claimants would tend to receive greater benefits than the newly ineligible claimants. In FY90, the average yearly wages of claimants ineligible under current law but eligible under HB0256 was \$4,928 while the claimants eligible under current law but ineligible under HB0256 was \$4,481.
4. Claimants whose eligibility status would not change would receive slightly greater benefits under HB0256 than under current law. In FY90, the average weekly benefit of all claimants eligible under HB0256 increased from \$135.79 to \$137.60 and the number of weeks claimants could claim increased from 20.465 to 20.596.
5. Based on FY90 data, benefits paid would increase 1.935%. Potential FY90 benefits would have increased by \$1,537,435 over current law benefits of \$79,449,477. Historically, approximately 50% of potential benefits are actually paid. Paid benefits would have increased in FY90 under HB0256 by \$768,718 over current law benefits paid of approximately \$39.7 million.
6. Benefits paid in FY92 and FY93 are projected to be \$43 million and \$42 million, respectively.

FISCAL IMPACT:

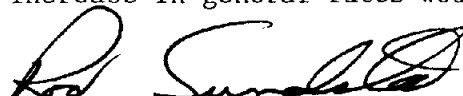
	FY92			FY93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
UI Benefits (03)	43,000,000	43,832,000	832,000	42,000,000	42,813,000	813,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

A potential minor increase in general rates would affect local governmental entities.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

A minor increase in general rates would be likely.

 1-22-91
 ROD SUNDSTED, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 1-23-91
 JERRY DRISCOLL, PRIMARY SPONSOR DATE

Fiscal Note for HB0256, as introduced.

HB 256

APPROVED BY COMMITTEE
ON LABOR & EMPLOYMENT
RELATIONS

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HOUSE BILL NO. *256*
Daniel Thomas

INTRODUCED BY _____
BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY
A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE CRITERIA
FOR QUALIFYING WAGES USED TO DETERMINE ELIGIBILITY FOR
UNEMPLOYMENT INSURANCE BENEFITS; TO CHANGE THE FORMULA USED
TO CALCULATE THE AMOUNT OF WEEKLY UNEMPLOYMENT INSURANCE
BENEFITS; AMENDING SECTIONS 39-51-2105, 39-51-2201, AND
39-51-2204, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-51-2105, MCA, is amended to read:
"39-51-2105. Qualifying wages. ~~(1)~~ To qualify for
benefits, an individual must have had ~~at least 20 weeks of~~
~~work with an average of \$50 per week in~~ subject been paid
total wages for employment in the base period in an amount:
(1) not less than 1 1/2 times the wages earned in the
calendar quarter in which wages were the highest during the
base period; however, the total wages in the base period
must be equal to or greater than 7% of the average annual
wage described in 39-51-2201; or
(2) ~~On and after July 7, 1987, to qualify for benefits,~~
an individual's total base period wages must be equal to or
greater than 7% 50% of the average annual wage as described

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in 39-51-2201(2). ~~To qualify for benefits, an individual's~~
~~total base period wages must be \$1,000 or more.~~"

Section 2. Section 39-51-2201, MCA, is amended to read:
"39-51-2201. Weekly benefit amount -- determination of
average weekly wage. (1) For claims filed before July 7,
1985, an eligible individual's weekly benefit amount shall
be the total base period wages divided by the number of
weeks of covered employment times 50%. The weekly benefit
amount, if not a multiple of \$1, must be rounded to the
nearest lower full dollar amount. However, such amount shall
not be less than the minimum or more than the maximum weekly
benefit amount. For claims effective July 7, 1985, and after
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 13 weekly wage. Sixty percent of the average weekly wage shall
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 17 July 1 of the same year, except that the maximum weekly
 18 benefit amount for benefit years commencing on or after July
 19 1, 1984, through January 3, 1987, is the amount calculated
 20 under this subsection after January 1, 1984, and on or
 21 before May 31, 1984. Such maximum weekly benefit amount, if
 22 not a multiple of \$1, shall be computed to the nearest lower
 23 full dollar amount.

24 ~~†3†~~(4) The minimum weekly benefit amount shall be 15%
 25 of the average weekly wage. The minimum weekly benefit

1 amount, if not a multiple of \$1, shall be computed to the
 2 nearest lower full dollar amount."

3 **Section 3.** Section 39-51-2204, MCA, is amended to read:

4 **"39-51-2204. Maximum benefit amount.** Any otherwise
 5 eligible individual is entitled during the individual's
 6 benefit year to a total amount of benefits equal to the
 7 individual's weekly benefit amount, as calculated according
 8 to 39-51-2201~~††~~, times the number of full weeks of benefit
 9 entitlement appearing in the following table in the line
 10 which includes the individual's ratio of total base period
 11 earnings to the highest quarter of earnings in the base
 12 period:

Ratio of Total Base Period		Full Weeks of Benefits
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1.00	1.25	8
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3.25	--	26*

LC 0757/01

1 NEW SECTION. **Section 4.** **Effective date.** [This act] is
2 **effective July 7, 1991.**

-End-

1 *HOUSE* BILL NO. *256*
2 INTRODUCED BY *Dwight Thomas*

3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE CRITERIA
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15 benefits, an individual must have had ~~at least 20 weeks of~~
16 ~~work with an average of \$58 per week in~~ subject been paid
17 total wages for employment in the base period; in an amount:

18 (1) not less than 1 1/2 times the wages earned in the
19 calendar quarter in which wages were the highest during the
20 base period; however, the total wages in the base period
21 must be equal to or greater than 7% of the average annual
22 wage described in 39-51-2201; or

23 ~~(2) On and after July 5, 1987, to qualify for benefits,~~
24 ~~an individual's total base period wages must be~~ equal to or
25 greater than ~~7%~~ 50% of the average annual wage as described

1 in 39-51-2201~~{}~~. ~~To qualify for benefits, an individual's~~
2 ~~total base period wages must be \$1,000 or more."~~

3 **Section 2.** Section 39-51-2201, MCA, is amended to read:

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5 average weekly wage. (1) For claims filed before July 7,
6 1985, an eligible individual's weekly benefit amount shall
7 be the total base period wages divided by the number of
8 weeks of covered employment times 50%. The weekly benefit
9 amount, if not a multiple of \$1, must be rounded to the
10 nearest lower full dollar amount. However, such amount shall
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14 amount shall be the total base period wages divided by the
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THIRD READING
HB 256

1 nearest lower full dollar amount. However, the amount may
 2 not be less than the minimum or more than the maximum weekly
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4 {2}{3} On or before May 31 of each year, the total
 5 wages paid by all employers as reported on contribution
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 7 calendar year shall be divided by the average monthly number
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 9 year as reported on such contribution reports. The amount
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 25 of the average weekly wage. The minimum weekly benefit

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3 **Section 3.** Section 39-51-2204, MCA, is amended to read:

4 "39-51-2204. **Maximum benefit amount.** Any otherwise
 5 eligible individual is entitled during the individual's
 6 benefit year to a total amount of benefits equal to the
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LC 0757/01

1 NEW SECTION. **Section 4.** **Effective date.** [This act] is
2 effective July 7, 1991.

-End-

1 HOUSE BILL NO. 256

2 INTRODUCED BY DRISCOLL, THOMAS

3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE CRITERIA
6 FOR QUALIFYING WAGES USED TO DETERMINE ELIGIBILITY FOR
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22 wage described in 39-51-2201; or

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25 ~~greater than 7% 50% of the average annual wage as described~~

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2 ~~total base period wages must be \$1,000 or more.~~"

3 Section 2. Section 39-51-2201, MCA, is amended to read:

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HB 0256/02

1 NEW SECTION. **Section 4.** **Effective date.** [This act] is
2 effective July 7, 1991.

-End-



AN ACT TO CHANGE THE CRITERIA FOR QUALIFYING WAGES USED TO DETERMINE ELIGIBILITY FOR UNEMPLOYMENT INSURANCE BENEFITS; TO CHANGE THE FORMULA USED TO CALCULATE THE AMOUNT OF WEEKLY UNEMPLOYMENT INSURANCE BENEFITS; AMENDING SECTIONS 39-51-2105, 39-51-2201, AND 39-51-2204, MCA; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-51-2105, MCA, is amended to read:

"39-51-2105. Qualifying wages. (1) To qualify for benefits, an individual must have had at least 20 weeks of work with an average of \$50 per week in subject been paid total wages for employment in the base period in an amount:

(1) not less than 1 1/2 times the wages earned in the calendar quarter in which wages were the highest during the base period; however, the total wages in the base period must be equal to or greater than 7% of the average annual wage described in 39-51-2201; or

(2) On and after July 5, 1987, to qualify for benefits, an individual's total base period wages must be equal to or greater than 7% 50% of the average annual wage as described in 39-51-2201(2). To qualify for benefits, an individual's total base period wages must be \$1,000 or more."

Section 2. Section 39-51-2201, MCA, is amended to read:

"39-51-2201. Weekly benefit amount -- determination of average weekly wage. (1) For claims filed before July 7, 1985, an

eligible individual's weekly benefit amount shall be the total base period wages divided by the number of weeks of covered employment times 50%. The weekly benefit amount, if not a multiple of \$1, must be rounded to the nearest lower full dollar amount. However, such amount shall not be less than the minimum or more than the maximum weekly benefit amount. For claims effective July 7, 1985, and after filed before July 7, 1991, an individual's weekly benefit amount shall be the total base period wages divided by the number of weeks of covered employment times 49%. The weekly benefit amount, if not a multiple of \$1, must be rounded to the nearest lower full dollar amount. However, such amount shall not be less than the minimum or more than the maximum weekly benefit amount.

(2) For claims filed on or after July 7, 1991, an individual's weekly benefit amount must be an amount equal to 1% of the total base period wages or equal to 1.9% of the total wages paid in the 2 calendar quarters in which wages were the highest during the base period. The weekly benefit amount, if not a multiple of \$1, must be rounded to the nearest lower full dollar amount. However, the amount may not be less than the minimum or more than the maximum weekly benefit amount.

(2)(3) On or before May 31 of each year, the total wages paid by all employers as reported on contribution reports submitted on or before such date for the preceding calendar year shall be divided by the average monthly number of individuals employed

during the same preceding calendar year as reported on such contribution reports. The amount thus obtained is the average annual wage. The average annual wage shall be divided by 52 and ~~the average--weekly--wage~~, rounded to the nearest cent, thus determined is the average weekly wage. Sixty percent of the average weekly wage shall constitute the maximum weekly benefit amount and shall apply to all maximum weekly benefit amount claims for benefits filed to establish a benefit year commencing on or after July 1 of the same year, except that the maximum weekly benefit amount for benefit years commencing on or after July 1, 1984, through January 3, 1987, is the amount calculated under this subsection after January 1, 1984, and on or before May 31, 1984. Such maximum weekly benefit amount, if not a multiple of \$1, shall be computed to the nearest lower full dollar amount.

~~(3)~~(4) The minimum weekly benefit amount shall be 15% of the average weekly wage. The minimum weekly benefit amount, if not a multiple of \$1, shall be computed to the nearest lower full dollar amount."

Section 3. Section 39-51-2204, MCA, is amended to read:

"39-51-2204. **Maximum benefit amount.** Any otherwise eligible individual is entitled during the individual's benefit year to a total amount of benefits equal to the individual's weekly benefit amount, as calculated according to 39-51-2201~~(1)~~, times the number of full weeks of benefit entitlement appearing in the following table in the line which includes the individual's ratio of total

base period earnings to the highest quarter of earnings in the base period:

Ratio of Total Base Period Earnings to High Quarter		Full Weeks of Benefits
At Least	But Less Than	
1.00	1.25	8
1.25	1.50	10
1.50	1.75	12
1.75	2.00	14
2.00	2.25	16
2.25	2.50	18
2.50	2.75	20
2.75	3.00	22
3.00	3.25	24
3.25	--	26"

Section 4. **Effective date.** [This act] is effective July 7, 1991.