

1 House BILL NO. 330
 2 INTRODUCED BY Johnson

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 87-109, PROVIDING FOR AN INCREASE IN CONTRIBUTIONS BY
 6 EMPLOYERS BY INCREASING THE TAXABLE WAGE BASE FROM FOUR
 7 THOUSAND TWO HUNDRED DOLLARS TO FOUR THOUSAND EIGHT HUNDRED
 8 DOLLARS BEGINNING IN CALENDAR YEAR 1975."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 87-109, R.C.M. 1947, is amended to
 12 read as follows:

13 "87-109. Contributions. (a) Payment. (1) Contributions
 14 shall accrue and become payable by each employer for each
 15 calendar year in which he is subject to this act, with
 16 respect to wages, as defined in section 87-149 (c), paid for
 17 employment (as defined in this act) occurring during such
 18 calendar year. Such contributions shall become due and be
 19 paid by each employer to the division for the fund in
 20 accordance with such regulations as the division may
 21 prescribe and shall not be deducted, in whole or in part,
 22 from the wages of individuals in his employ.

23 (2) In the payment of any contributions, a fractional
 24 part of a cent shall be disregarded unless it amounts to
 25 one-half (1/2) cent or more, in which case it shall be

1 increased to one (1) cent.

2 (b) Rate of contribution.

3 (1) Each employer shall pay contributions at the rate
 4 of three and one-tenth per centum (3.1%) of wages, as
 5 defined in section 87-149 (c) paid by him with respect to
 6 such employment, except as provided in subsection (c) of
 7 this section.

8 Nonprofit organizations defined in section 501 (c) (3)
 9 of the federal internal revenue code and which are exempt
 10 from tax under section 501 (a) of such code may elect to
 11 make payments in lieu of contributions; the state and its
 12 political subdivisions specifically covered by this act and
 13 those electing coverage shall make payments in lieu of
 14 contributions.

15 A group of nonprofit organizations may elect with the
 16 approval of the division to act as a group in fulfilling the
 17 requirements of this subsection or of this act.

18 (2) Employers required or eligible to elect to make
 19 payments in lieu of contributions shall pay into the fund an
 20 amount equivalent to the full amount of regular benefits
 21 plus one-half (1/2) of the amount of extended benefits paid
 22 to individuals based on wages paid by such employing unit.
 23 If benefits paid an individual are based on wages paid by
 24 both such employer and one (1) or more other employers, the
 25 amount payable by such employer to the fund shall bear the

1 same ratio to total benefits paid to the individual as the
 2 base period wages paid to the individual by such employer
 3 bear to the total amount of base period wages paid to the
 4 individual by all his base period employers. If the base
 5 period wages of an individual include wages from more than
 6 one (1) such employer, the amount to be paid into the fund
 7 with respect to the benefits paid to such individual shall
 8 be prorated among the liable employers in proportion to the
 9 wages paid to such individual by each such employer during
 10 the base period. The amount of payment required from such
 11 employers shall be ascertained by the division quarterly and
 12 shall become due and payable by such employer quarterly as
 13 directed in this act. Penalty and interest for delinquency
 14 shall be assessed such employers as specified in section
 15 87-135.

16 (3) Any nonprofit organizations as defined in
 17 subsection (b) (1) of this section electing to become liable
 18 for payments in lieu of contributions must file with the
 19 division a written notice of its election not later than
 20 thirty (30) days immediately following the date of the
 21 determination of subjectivity to this act. This election
 22 shall be for a period of not less than two (2) years.

23 (A) Any nonprofit organization may terminate its
 24 election to make payments in lieu of contributions after two
 25 (2) calendar years from the effective date of such election

1 by filing a written notice with the division not later than
 2 thirty (30) days prior to the beginning of the taxable year
 3 for which such termination is effective.

4 (B) Any nonprofit organization defined in subsection
 5 (b) (1) of this section which has been paying contributions
 6 for at least two (2) taxable years may change to payments in
 7 lieu of contributions by filing with the division a written
 8 notice to that effect within thirty (30) days before the
 9 beginning of the taxable year for which the change is
 10 effective.

11 (C) If the nonprofit organization is delinquent in
 12 making payments in lieu of contributions, the division may
 13 terminate the election to make payments in lieu of
 14 contributions as of the beginning of the next taxable year,
 15 and such termination shall be effective for that and the
 16 next taxable year.

17 (4) Payments in lieu of contributions by the state and
 18 its political subdivisions shall be an amount equivalent to
 19 the amount of benefits paid to individuals based on wages
 20 paid by the state and its political subdivisions. The method
 21 of determining benefits attributable shall be the same as
 22 that set forth in subsection (b) (2) of this section. The
 23 amount of payments shall be paid in such manner as the
 24 division may prescribe.

25 (c) Experience rating.

1 The division shall for each calendar year, classify
 2 employers in accordance with their actual contributions and
 3 unemployment experience and shall determine for each
 4 employer the rate of contributions which shall apply to him
 5 throughout the calendar year in order to reflect said
 6 experience and classification. The division shall apply such
 7 form of classification or experience rating system which is
 8 best calculated to rate individually and most equitably the
 9 employment for each employer and to encourage the
 10 stabilization of employment.

11 In making such classification, the division shall take
 12 account, each to an equal extent, of the following factors
 13 relating to the unemployment hazard shown by each employer
 14 on the basis of (1) average annual net percentage declines
 15 in total payrolls for the last three (3) years prior to
 16 computation date; (2) number of years the employer has paid
 17 contributions; and (3) chargebacks to the individual
 18 employer account upon the last employer basis. The
 19 computation date is hereby fixed as of the close of business
 20 on June 30 of the preceding calendar year.

21 The rates for the first calendar quarter of calendar
 22 year 1972 and thereafter, except as hereinafter provided,
 23 shall be so fixed that they would, if applied to all
 24 employers (except those employers making payments in lieu of
 25 contributions) and their total taxable annual payrolls for

1 the preceding calendar year, have yielded total paid
 2 contributions equaling approximately one and five-tenths per
 3 centum (1.5%) of the total of all such payrolls.

4 The division shall determine the contribution rate
 5 applicable to each employer for any calendar year subject to
 6 the following limitations:

7 (1) Each employer's rate shall be three and one-tenth
 8 per centum (3.1%) unless and until there have been three (3)
 9 years prior to the computation date throughout which the
 10 employer has paid contributions at the maximum tax rate set
 11 by law for each of such years and has reported and paid
 12 contributions during each of the three (3) calendar years
 13 immediately preceding the computation date and with respect
 14 to such three (3) calendar years has filed all contribution
 15 reports prescribed by the division and paid all
 16 contributions due with respect to the three (3) calendar
 17 years before March 31 of the rate year. Upon payment of
 18 past-due contributions the division shall, for the current
 19 year, compute a rate for the next succeeding quarter
 20 following the payment.

21 (2) The classified contribution rates for the calendar
 22 year 1969, and thereafter, except as hereinafter provided,
 23 shall be: five-tenths of one per centum (.5%), seven-tenths
 24 of one per centum (.7%), nine-tenths of one per centum
 25 (.9%), one and one-tenth per centum (1.1%), one and

1 three-tenths per centum (1.3%), one and five-tenths per
 2 centum (1.5%), one and seven-tenths per centum (1.7%), one
 3 and nine-tenths per centum (1.9%), two and one-tenth per
 4 centum (2.1%), two and three-tenths per centum (2.3%), two
 5 and five-tenths per centum (2.5%), two and seven-tenths per
 6 centum (2.7%), two and nine-tenths per centum (2.9%), and
 7 three and one-tenth per centum (3.1%).

8 (3) No employer shall be assigned a classified
 9 contribution rate higher than the second classified rate
 10 above the rate which was assigned to him for the last
 11 preceding calendar year except for the year 1961 and further
 12 as hereinafter provided. This subsection shall not apply
 13 when the employer's chargeback ratio exceeds one hundred per
 14 cent (100%).

15 (4) An employer whose benefit payments (charged as
 16 most recent employer) in the last three (3) years preceding
 17 the computation date exceeded the amount of his
 18 contributions for those years, may have the option of making
 19 a voluntary contribution to the unemployment compensation
 20 fund to cancel the amount by which the benefit payments
 21 charged to him under section 87-109 (c) during the last
 22 three (3) completed fiscal years exceed his contributions
 23 for the same three (3) years. Such voluntary contribution
 24 shall be applied first to cancel the amount by which
 25 benefits exceed contributions in the earliest of the three

1 (3) years preceding the computation date, any remaining to
 2 cancel the excess in the second earliest year preceding the
 3 computation date, and any further remaining to cancel the
 4 excess in the most recent year preceding the computation
 5 date. Whenever the benefit payments charged to an eligible
 6 employer in the last three (3) fiscal years exceed his
 7 contributions for the same period, the division shall notify
 8 him of the amount of such excess and the rate which would be
 9 applicable to him for the ensuing calendar year, if he
 10 exercises the option. Such employer must exercise the option
 11 of making the voluntary contribution allowed by this section
 12 within thirty (30) days after receipt of such notice.

13 (5) Rates as fixed by the division shall stand and be
 14 in effect unless and until the cash reserves in the
 15 unemployment compensation trust fund at any time in the
 16 future fall below, and remain below, eighteen million
 17 dollars (\$18,000,000) continuously for a period of one (1)
 18 year, then employer rates effective at the beginning of the
 19 next succeeding calendar quarter shall be so fixed that they
 20 would, if applied to all employers and their total taxable
 21 annual payrolls for the preceding calendar year, have
 22 yielded total paid contributions equaling approximately two
 23 per centum (2%) of the total of all such payrolls, and shall
 24 continue at the two per centum (2%) average rate until cash
 25 reserves in the unemployment compensation trust fund exceed

1 twenty-six million dollars (\$26,000,000) at which time all
 2 employer rates shall again be so fixed to bring an average
 3 return of one and five-tenths per centum (1.5%) as in this
 4 section hereinabove provided; if reserves remain below
 5 eighteen million dollars (\$18,000,000) continuously for a
 6 period of two (2) years, then the contribution rate of all
 7 employers subject to this act shall return to a uniform rate
 8 of three and one-tenth per centum (3.1%) effective at the
 9 beginning of the next succeeding calendar quarter, and shall
 10 continue at the three and one-tenth per centum (3.1%) rate
 11 until cash reserves in the unemployment compensation trust
 12 fund exceed twenty-six million dollars (\$26,000,000) at
 13 which time all employer rates shall again be so fixed to
 14 bring an average return of one and five-tenths per centum
 15 (1.5%) as in this section hereinabove provided.

16 (6) The division shall by regulation adopt such
 17 procedures as may be necessary for the substitution, merging
 18 or acquisition of an employer account by an employing unit,
 19 and the transfer of such employer account, rights,
 20 contributions, benefit experience and rating to the
 21 successor employing unit or units.

22 (7) The division shall by regulation provide for the
 23 proper notification of employers of the classification and
 24 rate of contribution applicable to their accounts. Such
 25 notification shall be final for all purposes unless and

1 until such employer files a written request with the
 2 division for a redetermination or hearing thereon within
 3 thirty (30) days after receipt of such notice.

4 (8) "Annual total payroll" means the total of the four
 5 (4) quarters of total payrolls of an employer preceding the
 6 computation date as fixed herein.

7 (9) No employer's account shall be charged with
 8 benefits paid to any claimant in determining the
 9 contribution rate of such employer;

10 (A) If the claimant has been disqualified under
 11 section 87-106 (a), (b), (g), or (h), as a result of
 12 separation from such employer;

13 (B) If the claimant left work for nondisqualifying
 14 reasons as provided in section 87-106 (a);

15 (C) Unless the employer has had notice of the claim
 16 for the benefits and has been given opportunity for hearing
 17 as an interested party in the manner provided in sections
 18 87-107 and 87-108. Written notice of any hearing shall be
 19 mailed to employer not less than ten (10) days prior to the
 20 date set.

21 (d) The provisions of this act requiring the payment
 22 of contributions by employers subject to this act shall
 23 apply only to wages paid up to and including three thousand
 24 dollars (\$3,000) by an employer to an employee with respect
 25 to employment during any calendar year preceding the year

1 1972.

2 Payment of contributions shall apply only to wages paid
3 up to and including four thousand two hundred dollars
4 (\$4,200) by an employer to an employee with respect to
5 employment during the calendar year years 1972, 1973, 1974.
6 and--thereafter Payment of contributions shall apply only to
7 wages paid up to and including four thousand eight hundred
8 dollars (\$4,800) by an employer to an employee with respect
9 to employment during the calendar year 1975 and thereafter.

10 (e) Contribution appeals.

11 Any person aggrieved by any decision, determination, or
12 redetermination of the division involving contribution
13 liability, contribution rate, application for refund or the
14 charging of benefit payments to employers making payment in
15 lieu of contributions is entitled to a review by the
16 division or its authorized representative, hereinafter
17 referred to as a deputy. The decision of the deputy shall be
18 deemed to be the decision of the division. The division or
19 the deputy conducting the review may refer the matter to an
20 appeal referee, may decide the application for review on the
21 basis of such facts and information as may be obtained or
22 may hear argument to secure further facts. After such
23 review, notice of the decision shall be given to the
24 employing unit. Such decision made pursuant to such review
25 shall be deemed to be the final decision of the division

1 unless the employing unit or any other such interested
2 party, within five (5) calendar days after delivery of such
3 notification or within seven (7) calendar days after such
4 notification was mailed to his last known address, files an
5 appeal from this decision. Such appeal will be referred to
6 an appeal referee who shall make his decisions with respect
7 thereto in accordance with the procedure prescribed in
8 section 87-107 (c)."

-End-

STATE OF MONTANA

REQUEST NO. 144-75

FISCAL NOTE

Form BD-15

In compliance with a written request received January 31, 1975, 19 _____, there is hereby submitted a Fiscal Note for House Bill 330 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 330 provides for an increase in contributions by employers by increasing the taxable wage base from \$4,200 to \$4,800 beginning CY 1975, for unemployment insurance purposes.

ASSUMPTIONS:

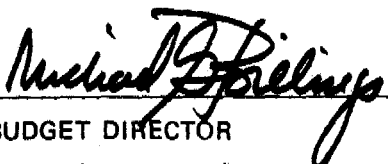
1. The current .4% unemployment compensation tax on wages will be applied over the entire range of the taxable wage base.
2. Operating and administrative expenses generated by the change will be covered by federal funds.

FISCAL IMPACT:

	FY 76	FY 77
Unemployment compensation benefit trust fund revenue estimated under current law	\$ 11,240,000	\$ 11,360,000
Unemployment compensation benefit trust fund revenue estimated under proposed law	<u>12,600,000</u>	<u>\$ 12,900,000</u>
Estimated increase in revenue	<u>\$ 1,360,000</u>	<u>\$ 1,540,000</u>

CONCLUSION:

Enactment of House Bill 330 will result in an estimated increase of \$2.9 million in unemployment compensation trust fund collections during the biennium.


 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date: February 4, 1975

SECOND READING

MISSING

1 *House* BILL NO. 330
 2 INTRODUCED BY *Johnson*
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 87-109, PROVIDING FOR AN INCREASE IN CONTRIBUTIONS BY
 6 EMPLOYERS BY INCREASING THE TAKABLE WAGE BASE FROM FOUR
 7 THOUSAND TWO HUNDRED DOLLARS TO FOUR THOUSAND EIGHT HUNDRED
 8 DOLLARS BEGINNING IN CALENDAR YEAR 1975."

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

11 Section 1. Section 87-109, R.C.M. 1947, is amended to
 12 read as follows:

13 "87-109. Contributions. (a) Payment. (1) Contributions
 14 shall accrue and become payable by each employer for each
 15 calendar year in which he is subject to this act, with
 16 respect to wages, as defined in section 87-149 (c), paid for
 17 employment (as defined in this act) occurring during such
 18 calendar year. Such contributions shall become due and be
 19 paid by each employer to the division for the fund in
 20 accordance with such regulations as the division may
 21 prescribe and shall not be deducted, in whole or in part,
 22 from the wages of individuals in his employ.

23 (2) In the payment of any contributions, a fractional
 24 part of a cent shall be disregarded unless it amounts to
 25 one-half (1/2) cent or more, in which case it shall be

1 increased to one (1) cent.

2 (b) Rate of contribution.

3 (1) Each employer shall pay contributions at the rate
 4 of three and one-tenth per centum (3.1%) of wages, as
 5 defined in section 87-149 (c) paid by him with respect to
 6 such employment, except as provided in subsection (c) of
 7 this section.

8 Nonprofit organizations defined in section 501 (c) (3)
 9 of the federal internal revenue code and which are exempt
 10 from tax under section 501 (a) of such code may elect to
 11 make payments in lieu of contributions; the state and its
 12 political subdivisions specifically covered by this act and
 13 those electing coverage shall make payments in lieu of
 14 contributions.

15 A group of nonprofit organizations may elect with the
 16 approval of the division to act as a group in fulfilling the
 17 requirements of this subsection or of this act.

18 (2) Employers required or eligible to elect to make
 19 payments in lieu of contributions shall pay into the fund an
 20 amount equivalent to the full amount of regular benefits
 21 plus one-half (1/2) of the amount of extended benefits paid
 22 to individuals based on wages paid by such employing unit.
 23 If benefits paid an individual are based on wages paid by
 24 both such employer and one (1) or more other employers, the
 25 amount payable by such employer to the fund shall bear the

1 same ratio to total benefits paid to the individual as the
 2 base period wages paid to the individual by such employer
 3 bear to the total amount of base period wages paid to the
 4 individual by all his base period employers. If the base
 5 period wages of an individual include wages from more than
 6 one (1) such employer, the amount to be paid into the fund
 7 with respect to the benefits paid to such individual shall
 8 be prorated among the liable employers in proportion to the
 9 wages paid to such individual by each such employer during
 10 the base period. The amount of payment required from such
 11 employers shall be ascertained by the division quarterly and
 12 shall become due and payable by such employer quarterly as
 13 directed in this act. Penalty and interest for delinquency
 14 shall be assessed such employers as specified in section
 15 87-135.

16 (3) Any nonprofit organizations as defined in
 17 subsection (b) (1) of this section electing to become liable
 18 for payments in lieu of contributions must file with the
 19 division a written notice of its election not later than
 20 thirty (30) days immediately following the date of the
 21 determination of subjectivity to this act. This election
 22 shall be for a period of not less than two (2) years.

23 (A) Any nonprofit organization may terminate its
 24 election to make payments in lieu of contributions after two
 25 (2) calendar years from the effective date of such election

1 by filing a written notice with the division not later than
 2 thirty (30) days prior to the beginning of the taxable year
 3 for which such termination is effective.

4 (B) Any nonprofit organization defined in subsection
 5 (b) (1) of this section which has been paying contributions
 6 for at least two (2) taxable years may change to payments in
 7 lieu of contributions by filing with the division a written
 8 notice to that effect within thirty (30) days before the
 9 beginning of the taxable year for which the change is
 10 effective.

11 (C) If the nonprofit organization is delinquent in
 12 making payments in lieu of contributions, the division may
 13 terminate the election to make payments in lieu of
 14 contributions as of the beginning of the next taxable year,
 15 and such termination shall be effective for that and the
 16 next taxable year.

17 (4) Payments in lieu of contributions by the state and
 18 its political subdivisions shall be an amount equivalent to
 19 the amount of benefits paid to individuals based on wages
 20 paid by the state and its political subdivisions. The method
 21 of determining benefits attributable shall be the same as
 22 that set forth in subsection (b) (2) of this section. The
 23 amount of payments shall be paid in such manner as the
 24 division may prescribe.

25 (c) Experience rating.

1 The division shall for each calendar year, classify
 2 employers in accordance with their actual contributions and
 3 unemployment experience and shall determine for each
 4 employer the rate of contributions which shall apply to him
 5 throughout the calendar year in order to reflect said
 6 experience and classification. The division shall apply such
 7 form of classification or experience rating system which is
 8 best calculated to rate individually and most equitably the
 9 employment for each employer and to encourage the
 10 stabilization of employment.

11 In making such classification, the division shall take
 12 account, each to an equal extent, of the following factors
 13 relating to the unemployment hazard shown by each employer
 14 on the basis of (1) average annual net percentage declines
 15 in total payrolls for the last three (3) years prior to
 16 computation date; (2) number of years the employer has paid
 17 contributions; and (3) chargebacks to the individual
 18 employer account upon the last employer basis. The
 19 computation date is hereby fixed as of the close of business
 20 on June 30 of the preceding calendar year.

21 The rates for the first calendar quarter of calendar
 22 year 1972 and thereafter, except as hereinafter provided,
 23 shall be so fixed that they would, if applied to all
 24 employers (except those employers making payments in lieu of
 25 contributions) and their total taxable annual payrolls for

1 the preceding calendar year, have yielded total paid
 2 contributions equaling approximately one and five-tenths per
 3 centum (1.5%) of the total of all such payrolls.

4 The division shall determine the contribution rate
 5 applicable to each employer for any calendar year subject to
 6 the following limitations:

7 (1) Each employer's rate shall be three and one-tenth
 8 per centum (3.1%) unless and until there have been three (3)
 9 years prior to the computation date throughout which the
 10 employer has paid contributions at the maximum tax rate set
 11 by law for each of such years and has reported and paid
 12 contributions during each of the three (3) calendar years
 13 immediately preceding the computation date and with respect
 14 to such three (3) calendar years has filed all contribution
 15 reports prescribed by the division and paid all
 16 contributions due with respect to the three (3) calendar
 17 years before March 31 of the rate year. Upon payment of
 18 past-due contributions the division shall, for the current
 19 year, compute a rate for the next succeeding quarter
 20 following the payment.

21 (2) The classified contribution rates for the calendar
 22 year 1969, and thereafter, except as hereinafter provided,
 23 shall be: five-tenths of one per centum (.5%), seven-tenths
 24 of one per centum (.7%), nine-tenths of one per centum
 25 (.9%), one and one-tenth per centum (1.1%), one and

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 2 centum (1.5%), one and seven-tenths per centum (1.7%), one
 3 and nine-tenths per centum (1.9%), two and one-tenth per
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 6 centum (2.7%), two and nine-tenths per centum (2.9%), and
 7 three and one-tenth per centum (3.1%).

8 (3) No employer shall be assigned a classified
 9 contribution rate higher than the second classified rate
 10 above the rate which was assigned to him for the last
 11 preceding calendar year except for the year 1961 and further
 12 as hereinafter provided. This subsection shall not apply
 13 when the employer's chargeback ratio exceeds one hundred per
 14 cent (100%).

15 (4) An employer whose benefit payments (charged as
 16 most recent employer) in the last three (3) years preceding
 17 the computation date exceeded the amount of his
 18 contributions for those years, may have the option of making
 19 a voluntary contribution to the unemployment compensation
 20 fund to cancel the amount by which the benefit payments
 21 charged to him under section 87-109 (c) during the last
 22 three (3) completed fiscal years exceed his contributions
 23 for the same three (3) years. Such voluntary contribution
 24 shall be applied first to cancel the amount by which
 25 benefits exceed contributions in the earliest of the three

1 (3) years preceding the computation date, any remaining to
 2 cancel the excess in the second earliest year preceding the
 3 computation date, and any further remaining to cancel the
 4 excess in the most recent year preceding the computation
 5 date. Whenever the benefit payments charged to an eligible
 6 employer in the last three (3) fiscal years exceed his
 7 contributions for the same period, the division shall notify
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 10 exercises the option. Such employer must exercise the option
 11 of making the voluntary contribution allowed by this section
 12 within thirty (30) days after receipt of such notice.

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 14 in effect unless and until the cash reserves in the
 15 unemployment compensation trust fund at any time in the
 16 future fall below, and remain below, eighteen million
 17 dollars (\$18,000,000) continuously for a period of one (1)
 18 year, then employer rates effective at the beginning of the
 19 next succeeding calendar quarter shall be so fixed that they
 20 would, if applied to all employers and their total taxable
 21 annual payrolls for the preceding calendar year, have
 22 yielded total paid contributions equaling approximately two
 23 per centum (2%) of the total of all such payrolls, and shall
 24 continue at the two per centum (2%) average rate until cash
 25 reserves in the unemployment compensation trust fund exceed

1 twenty-six million dollars (\$26,000,000) at which time all
 2 employer rates shall again be so fixed to bring an average
 3 return of one and five-tenths per centum (1.5%) as in this
 4 section hereinabove provided; if reserves remain below
 5 eighteen million dollars (\$18,000,000) continuously for a
 6 period of two (2) years, then the contribution rate of all
 7 employers subject to this act shall return to a uniform rate
 8 of three and one-tenth per centum (3.1%) effective at the
 9 beginning of the next succeeding calendar quarter, and shall
 10 continue at the three and one-tenth per centum (3.1%) rate
 11 until cash reserves in the unemployment compensation trust
 12 fund exceed twenty-six million dollars (\$26,000,000) at
 13 which time all employer rates shall again be so fixed to
 14 bring an average return of one and five-tenths per centum
 15 (1.5%) as in this section hereinabove provided.

16 (6) The division shall by regulation adopt such
 17 procedures as may be necessary for the substitution, merging
 18 or acquisition of an employer account by an employing unit,
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 21 successor employing unit or units.

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 23 proper notification of employers of the classification and
 24 rate of contribution applicable to their accounts. Such
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1 until such employer files a written request with the
 2 division for a redetermination or hearing thereon within
 3 thirty (30) days after receipt of such notice.

4 (8) "Annual total payroll" means the total of the four
 5 (4) quarters of total payrolls of an employer preceding the
 6 computation date as fixed herein.

7 (9) No employer's account shall be charged with
 8 benefits paid to any claimant in determining the
 9 contribution rate of such employer;

10 (A) If the claimant has been disqualified under
 11 section 87-106 (a), (b), (g), or (h), as a result of
 12 separation from such employer;

13 (B) If the claimant left work for nondisqualifying
 14 reasons as provided in section 87-106 (a);

15 (C) Unless the employer has had notice of the claim
 16 for the benefits and has been given opportunity for hearing
 17 as an interested party in the manner provided in sections
 18 87-107 and 87-108. Written notice of any hearing shall be
 19 mailed to employer not less than ten (10) days prior to the
 20 date set.

21 (d) The provisions of this act requiring the payment
 22 of contributions by employers subject to this act shall
 23 apply only to wages paid up to and including three thousand
 24 dollars (\$3,000) by an employer to an employee with respect
 25 to employment during any calendar year preceding the year

1 1972.

2 Payment of contributions shall apply only to wages paid
3 up to and including four thousand two hundred dollars
4 (\$4,200) by an employer to an employee with respect to
5 employment during the calendar year years 1972, 1973, 1974.
6 ~~and thereafter~~ Payment of contributions shall apply only to
7 wages paid up to and including four thousand eight hundred
8 dollars (\$4,800) by an employer to an employee with respect
9 to employment during the calendar year 1975 and thereafter.

10 (e) Contribution appeals.

11 Any person aggrieved by any decision, determination, or
12 redetermination of the division involving contribution
13 liability, contribution rate, application for refund or the
14 charging of benefit payments to employers making payment in
15 lieu of contributions is entitled to a review by the
16 division or its authorized representative, hereinafter
17 referred to as a deputy. The decision of the deputy shall be
18 deemed to be the decision of the division. The division or
19 the deputy conducting the review may refer the matter to an
20 appeal referee, may decide the application for review on the
21 basis of such facts and information as may be obtained or
22 may hear argument to secure further facts. After such
23 review, notice of the decision shall be given to the
24 employing unit. Such decision made pursuant to such review
25 shall be deemed to be the final decision of the division

1 unless the employing unit or any other such interested
2 party, within five (5) calendar days after delivery of such
3 notification or within seven (7) calendar days after such
4 notification was mailed to his last known address, files an
5 appeal from this decision. Such appeal will be referred to
6 an appeal referee who shall make his decisions with respect
7 thereto in accordance with the procedure prescribed in
8 section 87-107 (c)."

-End-