

H BILL NO. 420

INTRODUCED BY Harper Quinter
BY REQUEST OF THE DEPARTMENT OF LABOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A CHANGE IN THE DEFINITION OF TOTAL UNEMPLOYMENT AND TO REMOVE SUPERFLUOUS MATERIAL PERTAINING TO SUBJECTIVITY; AMENDING SECTION 87-149, R.C.M. 1947."

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

Section 1. Section 87-149, R.C.M. 1947, is amended to read as follows:

"87-149. Definitions -- continued. (a) Total unemployment:

(1) An individual shall be deemed "totally unemployed" in any week during which he performed no services--and--with respect--to--which--no--wages--are--payable--to--him; work and earned no wages or a week of less than full-time work with wages of less than 1 1/2 times his weekly benefit amount. No individual is unemployed in any week that he is self-employed.

(2) An individual's week of unemployment shall be deemed to commence only after his registration at an unemployment office, except as the division may by regulation otherwise prescribe.

~~(3) As used in this subsection the term "wages" shall include only that part of remuneration for work which is in excess of twice the weekly benefit amount, and the term "service" shall include only that work in excess of twelve (12) hours in any one week. (A) Partial payment for a week of unemployment as used in this subsection shall be the claimant's weekly benefit amount less 50% of wages earned in excess of one-fourth of his weekly benefit amount. Such wages and the one-fourth weekly benefit amount, if not a multiple of \$1, shall be rounded to the nearest dollar.~~

~~(B) Claimant's weekly benefit amount shall also be reduced, as above, by the amount that he is receiving from a governmental or other pension, retirement pay, annuity, or other similar periodic payment which is based on work for and contributed to in whole or in part by a base-period employer. This provision does not apply to the receipt of benefits under the federal Social Security Act, as amended.~~

(b) "Unemployment compensation administration fund," means the unemployment compensation administration fund established by this act, from which administrative expenses under this act shall be paid.

(c) "Wages," means all remuneration payable for personal services, including commissions and bonuses and the cash value of all remuneration payable in any medium other than cash. The reasonable cash value of remuneration payable

H20

1 in any medium other than cash shall be estimated and
 2 determined in accordance with rules prescribed by the
 3 division. Wage records kept by the division for the purposes
 4 of this act prior to January 1, 1941, shall be kept on the
 5 basis of wages payable, and wage records kept by the
 6 division for the purposes of this act after January 1, 1941,
 7 shall be kept on the basis of wages paid. Provided, however,
 8 that the term "wages" shall not include--

9 (1) The amount of any payment made to, or on behalf
 10 of, an employee by an employer on account of:

11 (A) Retirement, or

12 (B) Sickness or accident disability, or

13 (C) Medical and hospitalization expenses in connection
 14 with sickness or accident disability, or

15 (D) Death.

16 (E) ~~Services performed for the fraternal benefit~~
 17 ~~society, lodge, order, service club or association having a~~
 18 ~~total annual payroll of less than five hundred dollars~~
 19 ~~(\$500.00) in any calendar year. Remuneration paid by any~~
 20 county welfare office from welfare assistance funds for
 21 services performed at the direction and request of such
 22 county welfare office.

23 ~~(F) Remuneration paid by any county welfare office~~
 24 ~~from welfare assistance funds for services performed at the~~
 25 ~~direction and request of such county welfare office.~~

1 (d) "Week," means a period of seven (7) consecutive
 2 calendar days ending at midnight on Saturday.

3 (e) "Weekly benefit amount." An individual's "weekly
 4 benefit amount" means the amount of benefits he would be
 5 entitled to receive for one (1) week of total unemployment.

6 (f) "Gross misconduct," means a criminal act, other
 7 than a violation of a motor vehicle traffic law, for which
 8 an individual has been convicted in a criminal court or has
 9 admitted or conduct which demonstrates a flagrant and wanton
 10 disregard of and for the rights or title or interest of a
 11 fellow employee or his employer.

12 (g) The word "division" throughout the unemployment
 13 statutes refers to a unit of the Montana state department of
 14 labor and industry.

15 (h) The word "administrator" refers to a person
 16 appointed by the commissioner of labor and industry to
 17 direct and administer the unemployment compensation laws and
 18 federal laws falling within the administrator's
 19 jurisdiction.

20 (i) The words "board of labor appeals" used in this
 21 act mean three (3) persons appointed by the governor, who
 22 are not public employees but who are attached to the Montana
 23 state department of labor and industry. The function of
 24 said board is to act in a quasi-judicial capacity for the
 25 hearing of disputes concerning the administration of

LC 1142/01

1 Montana's unemployment insurance laws."

-End-

STATE OF MONTANA

REQUEST NO. 237-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 77, there is hereby submitted a Fiscal Note for House Bill 420 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:

An act to provide for a change in the definition of total unemployment and to remove superfluous material pertaining to subjectivity.

ASSUMPTIONS:

1. Administrative costs of the bill will be borne by the federal government.
2. The FY 76 annual rate of 15% for all weeks of compensated unemployment will be paid to persons with non-disqualifying part-time earnings.
3. The average weekly benefit amount (AWBA) will be one third less than for other claimants, based on a normal distribution within and between weekly benefit amounts.
4. Average weekly benefit payments to "partial claimants" will be equal to the midpoint of adjusted WBA's.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>	<u>TOTAL</u>
Decrease in claims against the Unemployment Insurance Trust Fund due to the proposed legislation	<u>\$1,350,000</u>	<u>\$1,200,000</u>	<u>\$2,550,000</u>

Richard D. [Signature]

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: 2-1-77

STATE OF MONTANA

REQUEST NO. 237-77

FISCAL NOTE

AMENDED

Form BD-15

In compliance with a written request received February 22, 19 77, there is hereby submitted a Fiscal Note for House Bill 420 AMENDED 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:

An act to provide for a change in the definition of total unemployment and to remove superfluous material pertaining to subjectivity.

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4. Average weekly benefit payments to "partial claimants" will be equal to the midpoint of adjusted WBA's.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>	<u>Total</u>
Decrease in claims against the Unemployment Insurance Trust Fund due to the proposed legislation	<u>\$ 960,288</u>	<u>\$ 918,992</u>	<u>\$ 1,879,280</u>

Richard L. Drury
 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date: 2-22-77

Approved by Committee
on Labor & Employment
Relations

HOUSE BILL NO. 420

INTRODUCED BY HARPER, BURNETT

BY REQUEST OF THE DEPARTMENT OF LABOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR A CHANGE
IN THE DEFINITION OF TOTAL UNEMPLOYMENT AND TO REMOVE
SUPERFLUOUS MATERIAL PERTAINING TO SUBJECTIVITY; AMENDING
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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 87-149, R.C.M. 1947, is amended to
read as follows:

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unemployment:

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in any week during which he performed no services--and--with
respect--to--which--no--wages--are--payable--to--him; work and
earned no wages or a week of less than full-time work with
wages of less than ~~1-1/2~~ 2 times his weekly benefit amount.
No individual is unemployed in any week that he is
self-employed.

(2) An individual's week of unemployment shall be
deemed to commence only after his registration at an
unemployment office, except as the division may by
regulation otherwise prescribe.

~~(3) As used in this subsection the term "wages" shall
include only that part of remuneration for work which is in
excess of twice the weekly benefit amount, and the term
"service" shall include only that work in excess of twelve
(12) hours in any one week. (A) Partial payment for a week
of unemployment as used in this subsection shall be the
claimant's weekly benefit amount less 50% of wages earned in
excess of one-fourth of his weekly benefit amount. Such
wages and the one-fourth weekly benefit amount, if not a
multiple of \$1, shall be rounded to the nearest dollar.~~

~~(B) Claimant's weekly benefit amount shall also be
reduced, as above, by the amount that he is receiving from a
governmental or other pension, retirement pay, annuity, or
other similar periodic payment which is based on work for
and contributed to in whole or in part by a base-period
employer. This provision does not apply to the receipt of
benefits under the federal Social Security Act, as amended.~~

(b) "Unemployment compensation administration fund,"
means the unemployment compensation administration fund
established by this act, from which administrative expenses
under this act shall be paid.

(c) "Wages," means all remuneration payable for
personal services, including commissions and bonuses and the
cash value of all remuneration payable in any medium other
than cash. The reasonable cash value of remuneration payable

1 in any medium other than cash shall be estimated and
 2 determined in accordance with rules prescribed by the
 3 division. Wage records kept by the division for the purposes
 4 of this act prior to January 1, 1941, shall be kept on the
 5 basis of wages payable, and wage records kept by the
 6 division for the purposes of this act after January 1, 1941,
 7 shall be kept on the basis of wages paid. Provided, however,
 8 that the term "wages" shall not include--

9 (1) The amount of any payment made to, or on behalf
 10 of, an employee by an employer on account of:

- 11 (A) Retirement, or
- 12 (B) Sickness or accident disability, or
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 14 with sickness or accident disability, or
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16 (E) ~~Services performed for a fraternal benefit~~
 17 ~~society, lodge, order, service club or association having a~~
 18 ~~total annual payroll of less than five hundred dollars~~
 19 ~~(\$500.00) in any calendar year. Remuneration paid by any~~
 20 county welfare office from welfare assistance funds for
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1 (d) "Week," means a period of seven (7) consecutive
 2 calendar days ending at midnight on Saturday.

3 (e) "Weekly benefit amount." An individual's "weekly
 4 benefit amount" means the amount of benefits he would be
 5 entitled to receive for one (1) week of total unemployment.

6 (f) "Gross misconduct," means a criminal act, other
 7 than a violation of a motor vehicle traffic law, for which
 8 an individual has been convicted in a criminal court or has
 9 admitted or conduct which demonstrates a flagrant and wanton
 10 disregard of and for the rights or title or interest of a
 11 fellow employee or his employer.

12 (g) The word "division" throughout the unemployment
 13 statutes refers to a unit of the Montana state department of
 14 labor and industry.

15 (h) The word "administrator" refers to a person
 16 appointed by the commissioner of labor and industry to
 17 direct and administer the unemployment compensation laws and
 18 federal laws falling within the administrator's
 19 jurisdiction.

20 (i) The words "board of labor appeals" used in this
 21 act mean three (3) persons appointed by the governor, who
 22 are not public employees but who are attached to the Montana
 23 state department of labor and industry. The function of
 24 said board is to act in a quasi-judicial capacity for the
 25 hearing of disputes concerning the administration of

HB 0420/02

1. Montana's unemployment insurance laws."

-End-

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HB 0420/03

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-End-

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