

HOUSE BILL NO 284

INTRODUCED BY HARPER, DONALDSON, FULLER, QUILICI  
BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

IN THE HOUSE

January 19, 1985	Introduced and referred to Committee on Business and Labor.
January 21, 1985	Fiscal Note requested.
January 25, 1985	Fiscal Note returned.
February 8, 1985	Committee recommend bill do pass as amended. Report adopted.  Bill printed and placed on members' desks.
February 9, 1985	Second reading, do pass.
February 11, 1985	Considered correctly engrossed.
February 12, 1985	Third reading, passed.  Transmitted to Senate.

IN THE SENATE

February 13, 1985	Introduced and referred to Committee on Labor and Employment Relations.
March 26, 1985	Committee recommend bill be concurrent in. Report adopted.
March 28, 1985	Second reading, concurred in.
March 30, 1985	Third reading, concurred in. Ayes, 49; Noes, 0.  Returned to House.

IN THE HOUSE

March 30, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

HOUSE BILL NO. 284

INTRODUCED BY

*Wayne Alexander Fuller Paulini*

BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

A BILL FOR AN ACT ENTITLED: "AN ACT MAKING THE UNEMPLOYMENT TRUST FUND SOLVENT; INCREASING THE TAX ON EMPLOYERS; CHANGING THE METHOD OF COMPUTING THE EXPERIENCE RATING; CHANGING BENEFIT AMOUNTS; PROVIDING FOR DISQUALIFICATION IF AN EMPLOYEE LEAVES WORK WITHOUT GOOD CAUSE ATTRIBUTABLE TO HIS EMPLOYMENT; AMENDING SECTIONS 39-51-1108, 39-51-1213, 39-51-1215, 39-51-1218, 39-51-2104, 39-51-2201, AND 39-51-2302, MCA; PROVIDING THAT CERTAIN SECTIONS OF THE ACT ARE RETROACTIVE; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Surtax to pay federal advances. The department shall for each calendar year determine the rate of a surtax to be charged during that year to all employers. The rate of the surtax must be based on federal advances that will or have become due in that calendar year. The surtax applies to each employer's total wages paid during that calendar year. The surtax rate for any calendar year may not be more than 0.3% of total wages paid during that calendar year. The surtax must be paid in

the same manner as regular contributions.

Section 2. Section 39-51-1108, MCA, is amended to read:

"39-51-1108. Amount of wages per employee subject to contribution. (1) Payment of contributions shall apply only to wages paid up to and including \$4,200 the amount specified in this section by an employer to an employee with respect to employment during the calendar years 1972, 1973, 1974, and the first calendar quarter of year 1975.

(2) For the second calendar quarter of the calendar year 1975 through the fourth calendar quarter of 1977, the taxable wage base for each year is \$4,800.

(3) Effective January 1, 1978, and thereafter, the taxable wage base for each year is \$6,000.

(4)(2) For the first calendar quarter of 1979 and thereafter, the taxable wage base for each year is the greater of:

(a) 75% 80% of the average annual wage as determined under 39-51-2201(2) (rounded to the nearest \$100 not to exceed an increase of \$200 over the taxable wage base of the preceding year) during the calendar year immediately preceding the most recently completed calendar year, or

(b) the amount of taxable wage base specified in the Federal Unemployment Tax Act.

(5) Notwithstanding subsection (4) the taxable wage



1 ~~base for 1979 shall be \$7,400.~~"

2 Section 3. Section 39-51-1213, MCA, is amended to  
3 read:

4 "39-51-1213. Classification of employers for  
5 experience rating purposes. (1) The department shall for  
6 each calendar year classify employers in accordance with  
7 their actual experience in the payment of contributions and  
8 with respect to benefits charged against their accounts,  
9 with contribution rates reflecting benefit experience. Each  
10 employer's rate for a calendar year shall be determined on  
11 the basis of his record as of October 1 of the preceding  
12 calendar year.

13 (2) In making the classification, each eligible and  
14 deficit employer's contribution rate is determined in the  
15 manner set forth below ~~for the calendar year 1980 and for~~  
16 ~~each calendar year thereafter:~~

17 (a) Each employer is given an "experience factor"  
18 which is contributions paid since October 1, 1981, minus  
19 benefits charged on each employer's account ~~for the most~~  
20 ~~recent 3 fiscal years immediately preceding the computation~~  
21 date since October 1, 1981, divided by his average annual  
22 taxable payroll rounded to the next lower dollar amount for  
23 the same 3 fiscal years immediately preceding the  
24 computation date. The computation of the "experience factor"  
25 shall be to six decimal places.

1 (b) Schedules shall be prepared listing all eligible  
2 and deficit employers in inverse numerical order of their  
3 experience factors. There shall be listed on such schedules  
4 for each employer in addition to the experience factor:

5 (i) the amount of his taxable payroll for the fiscal  
6 year ending on the computation date; and

7 (ii) the cumulative total consisting of the sum of the  
8 employer's taxable payroll for the fiscal year ending on the  
9 computation date and the corresponding taxable payrolls for  
10 all other employers preceding him on the schedules.

11 (3) The cumulative taxable payroll amounts listed on  
12 the schedules provided for in 39-51-1218 shall be segregated  
13 into groups that will yield approximately the average tax  
14 rate according to the tax schedule assigned for that  
15 particular taxable year. Each group shall be identified by  
16 the rate class number listed in the table which represents  
17 the percentage limits of each group. Each employer on the  
18 schedules is assigned that contribution rate opposite his  
19 rate class for the tax schedule in effect for the taxable  
20 year.

21 (4) (a) If the grouping of rate classes requires the  
22 inclusion of exactly one-half of an employer's taxable  
23 payroll, the employer is assigned the lower of the two rates  
24 designated for the two classes in which the halves of his  
25 taxable payroll are so required.

(b) If the group of rate classes requires the inclusion of a portion other than exactly one-half of an employer's taxable payroll, the employer is assigned the rate designated for the class in which the greater part of his taxable payroll is so required.

(c) If one or more employers on the schedules have experience factors identical to that of the last employer included in a particular rate class, all such employers are included in and assigned the contribution rate specified for such class, notwithstanding the provisions of 39-51-1214.

(5) If the taxable payroll amount or the experience factor or both such taxable payroll amount and experience factor of any eligible or deficit employer listed on the schedules is changed, the employer is placed in that position on the schedules which he would have occupied had his taxable payroll amount or experience factor as changed been used in determining his position in the first instance, but such change does not affect the position or rate classification of any other employer listed on the schedules and does not affect the rate determination for previous years."

Section 4. Section 39-51-1215, MCA, is amended to read:

"39-51-1215. Maintenance of experience rating records. An experience rating record shall be maintained for each

covered employer. The record is credited with all contributions which the covered employer has paid for the most recent three fiscal years immediately preceding the computation date, prior to the cutoff date since October 1, 1981. The record is also charged with the amount of benefits paid which are chargeable to the covered employer's account for the most recent three fiscal years ending September 30 since October 1, 1981. Nothing in this section grants any covered employer or individual in his service a priority with respect to any claim or right because of amounts paid by the covered employer into the employment security fund."

Section 5. Section 39-51-1218, MCA, is amended to read:

"39-51-1218. Rate schedules.

SCHEDULES OF CONTRIBUTION RATES -- Part I

	Sched. I	Sched. II	Sched. III	Sched. IV
Minimum Ratio of				
Fund to Total Wages	(.0150)	(.0145)	(.0140)	(.0130)
	<u>(.0270)</u>	<u>(.0260)</u>	<u>(.0245)</u>	<u>(.0225)</u>
Average Tax Rate	1.3	1.5	1.7	1.9
	<u>1.4</u>	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>
-----				
Rate Class	Contribution Rates For Eligible Employers			
1	0.2%	0.3%	0.5%	0.7%

1		<u>0.0%</u>	<u>0.1%</u>	<u>0.3%</u>	<u>0.5%</u>
2	2	<u>0.4</u>	<u>0.6</u>	<u>0.8</u>	<u>1.0</u>
3		<u>0.1</u>	<u>0.3</u>	<u>0.5</u>	<u>0.7</u>
4	3	<u>0.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>
5		<u>0.3</u>	<u>0.5</u>	<u>0.7</u>	<u>0.9</u>
6	4	<u>1.0</u>	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>
7		<u>0.5</u>	<u>0.7</u>	<u>0.9</u>	<u>1.1</u>
8	5	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
9		<u>0.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>
10	6	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>
11		<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>
12	7	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
13		<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>
14	8	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
15	9	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>
16	10	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>

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 Contribution Rates For Unrated Employers

19	<u>2.1%</u>	<u>2.3%</u>	<u>2.5%</u>	<u>2.7%</u>
20	<u>2.0%</u>	<u>2.2%</u>	<u>2.4%</u>	<u>2.6%</u>

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 Rate Class Contribution Rates For Deficit Employers

23	1	<u>2.2%</u>	<u>2.4%</u>	<u>2.6%</u>	<u>2.8%</u>
24		<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>
25	2	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>

1		<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>
2	3	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>
3		<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>
4	4	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>
5		<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>
6	5	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>
7		<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>
8	6	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>
9		<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>
10	7	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>
11	8	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>
12	9	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>
13	10	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>

SCHEDULES OF CONTRIBUTION RATES -- Part II

15	Sched.	Sched.	Sched.	Sched.	Sched.	Sched.
16	V	VI	VII	VIII	IX	X
17	<del>(.0120)</del>	<del>(.0110)</del>	<del>(.0095)</del>	<del>(.0075)</del>	(.0050)	(.....)
18	<del>(.0200)</del>	<del>(.0170)</del>	<del>(.0135)</del>	<del>(.0095)</del>		
19	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
20	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>

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 Contribution Rates For Eligible Employers

23	<u>0.9%</u>	<u>1.1%</u>	<u>1.3%</u>	<u>1.5%</u>	<u>1.7%</u>	<u>1.9%</u>
24	<u>0.7%</u>	<u>0.9%</u>	<u>1.1%</u>	<u>1.3%</u>	<u>1.5%</u>	<u>1.7%</u>
25	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>

1	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
2	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
3	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>
4	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>
5	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
6	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
7	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
8	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>
9	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>
10	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>	<u>3.5</u>	<u>3.7</u>
11	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>
12	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
13	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>
14	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>	<u>3.5</u>

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Contribution Rates For Unrated Employers

17	<u>2.9%</u>	<u>3.1%</u>	<u>3.3%</u>	<u>3.5%</u>	<u>3.7%</u>	<u>3.9%</u>
18	<u>2.8%</u>	<u>3.0%</u>	<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>

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Contribution Rates For Deficit Employers

21	<u>3.0%</u>	<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>	<u>4.0%</u>
22	<u>4.0%</u>	<u>4.2%</u>	<u>4.4%</u>	<u>4.6%</u>	<u>4.8%</u>	<u>5.0%</u>
23	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>
24	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>
25	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>

1	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>
2	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>
3	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>
4	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>
5	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>
6	<u>4.8</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>
7	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>
8	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>
9	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>	<u>6.4</u>
10	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>	<u>6.4</u>	<u>6.4</u>
11	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u> "

12 Section 6. Section 39-51-2104, MCA, is amended to  
13 read:

14 "39-51-2104. General benefit eligibility conditions.  
15 An unemployed individual is eligible to receive benefits for  
16 any week of total unemployment within his benefit year only  
17 if the department finds that:

18 (1) he has registered for work at and thereafter has  
19 continued to report at an employment office in accordance  
20 with such regulation as the department may prescribe, except  
21 that the department may, by regulation, prescribe that in  
22 cases in which it finds such requirements oppressive or  
23 inconsistent with the purposes of this chapter, an  
24 unemployed individual may register and report for work by  
25 mail or through other governmental agencies;

1 (2) he has made a claim for benefits in accordance  
2 with the provisions of 39-51-2401;

3 (3) he is able to work and is available for work and  
4 is seeking work; provided, however, that no claimant is  
5 considered ineligible in any week of unemployment for  
6 failure to comply with the provisions of this subsection if  
7 such failure is due to an illness or disability which occurs  
8 after he has registered for work and no suitable work has  
9 been offered to such claimant after the beginning of such  
10 illness or disability;

11 (4) prior to any the first week for which he claims is  
12 paid benefits he has been totally unemployed for a waiting  
13 period of 1 week. ~~However, if claimant's benefit year~~  
14 ~~expires during a period of compensable unemployment,~~  
15 ~~claimant will continue to receive weekly benefits in a new~~  
16 ~~benefit year, if otherwise eligible, without interruption to~~  
17 ~~serve the waiting week for the new benefit year but will~~  
18 ~~thereafter be required to serve the waiting week before~~  
19 ~~receiving benefits during subsequent unemployment in the new~~  
20 ~~benefit year.~~ No week is counted as a week of total  
21 unemployment for the purposes of this subsection:

22 (a) if benefits have been paid with respect thereto;

23 (b) unless the individual was eligible for benefits  
24 with respect thereto;

25 (c) unless it occurs within the benefit year of the

1 claimant;

2 (d) unless it occurs after benefits first could become  
3 payable to any individual under this chapter."

4 Section 7. Section 39-51-2201, MCA, is amended to  
5 read:

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

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



1 individuals employed during the same preceding calendar year  
 2 as reported on such contribution reports. The amount thus  
 3 obtained shall be divided by 52 and the average weekly wage,  
 4 rounded to the nearest cent, thus determined. Sixty percent  
 5 of the average weekly wage shall constitute the maximum  
 6 weekly benefit amount and shall apply to all maximum weekly  
 7 benefit amount claims for benefits filed to establish a  
 8 benefit year commencing on or after July 1 of the same year,  
 9 except that the maximum weekly benefit amount for benefit  
 10 years commencing on or after July 1, 1984, through January  
 11 3, 1987, is the amount calculated under this subsection  
 12 after January 1, 1984, and on or before May 31, 1984. Such  
 13 maximum weekly benefit amount, if not a multiple of \$1,  
 14 shall be computed to the nearest lower full dollar amount.

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

19 Section 8. Section 39-51-2302, MCA, is amended to  
 20 read:

21 "39-51-2302. Disqualification for leaving work without  
 22 good cause. (1) An individual shall be disqualified for  
 23 benefits if he has left work without good cause attributable  
 24 to his employment.

25 (2) He may not be disqualified if the department finds

1 that he left his employment because of personal illness or  
 2 injury not associated with misconduct or left his employment  
 3 upon the advice of a licensed and practicing physician and,  
 4 after recovering from his illness or injury when recovery is  
 5 certified by a licensed and practicing physician, he  
 6 returned to his employer and offered his service and his  
 7 regular or comparable suitable work was not available, if so  
 8 found by the department, provided he is otherwise eligible.

9 (3) To requalify for benefits, an individual must  
 10 perform services other than self-employment for which  
 11 remuneration is received equal to or in excess of six times  
 12 his weekly benefit amount subsequent to the week in which  
 13 the act causing the disqualification occurred unless he has  
 14 been in regular attendance at an educational institution  
 15 accredited by the state of Montana for at least 3  
 16 consecutive months from the date of his enrollment."

17 NEW SECTION. Section 9. Extension of authority. Any  
 18 existing authority of the department of labor and industry  
 19 to make rules on the subject of the provisions of this act  
 20 is extended to the provisions of this act.

21 NEW SECTION. Section 10. Codification instruction.  
 22 Section 1 is intended to be codified as an integral part of  
 23 Title 39, chapter 51, and the provisions of Title 39,  
 24 chapter 51, apply to section 1.

25 NEW SECTION. Section 11. Applicability. Sections 1

1 through 5 apply retroactively, within the meaning of  
2 1-2-109, to January 1, 1985.

3 NEW SECTION. Section 12. Effective dates --  
4 termination. (1) Sections 1 through 5, 9, 11, and this  
5 section are effective on passage and approval.

6 (2) Sections 6 through 8 are effective July 1, 1985.

7 (3) Section 1 terminates on July 1, 1987.

-End-

STATE OF MONTANA  
FISCAL NOTE

REQUEST NO. FNN 144-85  
Form BD-15

In compliance with a written request received January 21, 19 85, there is hereby submitted a Fiscal Note for H.B. 284 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). 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:

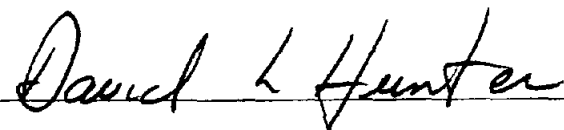
This proposal generally revises the unemployment compensation laws to make the unemployment trust fund solvent. Changes are proposed in the taxable wage base, employer contributions, and benefits.

ASSUMPTIONS:

Assumptions are itemized for each section that would be amended under this proposal. Please refer to attachments for specific assumptions associated with each section to be amended.

FISCAL IMPACT ON STATE SPECIAL REVENUES:

	<u>FY 86</u>	<u>FY 87</u>
Contributions Current Law	\$ 62,200,000	\$ 65,100,000
Contributions Proposed Law	87,000,000	82,600,000
Net Change	\$ + <u>24,800,000</u>	\$ + <u>20,500,000</u>
Benefits Current Law	\$ 67,000,000	\$ 73,000,000
Benefits Proposed Law	61,100,000	67,500,000
Net Change	\$ - <u>5,900,000</u>	\$ - <u>5,500,000</u>

  
BUDGET DIRECTOR  
Office of Budget and Program Planning  
Date: Jan 25, 1985  
HB 284

CONTRIBUTIONS (current law)

Assumptions:

1. Total wages are estimated to be \$3.4 B, \$3.7 B and \$4.0 B for C.Y.s 1985, 1986 and 1987 respectively.
2. The Ratio of Taxable Wages to Total Wages  $\frac{TxW}{TOW}$  will be .49, .47, and .45 for C.Y.s 1985, 1986 and 1987 respectively.
3. The Average Tax Rate applied for Total Taxable Wages will be 3.1% for each calendar year named above.
4. Other miscellaneous collections are deposited into the Trust Fund. These include: 1) Contributions from state and local government entities, 2) Benefit reimbursements from private non-profit employers, 3) Benefit reimbursements from other states, 4) Penalty and interest on delinquent contributions, and 5) U.S. Treasury interest on the Trust Fund.

These miscellaneous collections are estimated to be \$9,570,000, \$10,370,000 and \$11,170,000 for C.Y.s 1985, 1986 and 1987 respectively and will be equally distributed over four quarters.

5. The percent distribution of contributions due by quarter for any calendar year are as follows: 1st Qtr = .385, 2nd Qtr = .279, 3rd Qtr = .196 and 4th Qtr = .14.

However, contributions will be collected the following quarter, so the percent distribution of actual collections is as follows: 1st Qtr = .14, 2nd Qtr = .385, 3rd Qtr = .279, and 4th Qtr = .196.

Then, the percent distribution of collections by quarter for any fiscal year will be as follows: 1st Qtr = .279, 2nd Qtr = .196, 3rd Qtr = .14, and 4th Qtr = .385.

CONTRIBUTIONS (current law)

Derivation of Estimates of Contributions (current law)

1.  $\$3.4 \text{ B (Tot.Wages)} \times .49 \frac{\text{TxW}}{\text{ToW}} = \$1.66 \text{ B (Taxable Wages) CY 1985}$   
 $\$3.7 \text{ B (Tot.Wages)} \times .47 \frac{\text{TxW}}{\text{ToW}} = \$1.74 \text{ B (Taxable Wages) CY 1986}$   
 $\$4.0 \text{ B (Tot.Wages)} \times .45 \frac{\text{TxW}}{\text{ToW}} = \$1.80 \text{ B (Taxable Wages) CY 1987}$
  
2.  $\$1.66 \text{ B (Taxable Wages)} \times .031(\text{Avg.Tax Rate}) = \$51.5 \text{ M (Contributions due)CY 1985}$   
 $\$1.74 \text{ B (Taxable Wages)} \times .031(\text{Avg.Tax Rate}) = \$53.9 \text{ M (Contributions due)CY 1986}$   
 $\$1.80 \text{ B (Taxable Wages)} \times .031(\text{Avg.Tax Rate}) = \$55.8 \text{ M (Contributions due)CY 1987}$
  
3.  $\$51.5 \text{ M (Contributions due)} + \$9.6 \text{ M (Misc.collections)} = \$61.1 \text{ M (Tot.Collections) CY 1985}$   
 $\$53.9 \text{ M (Contributions due)} + \$10.4 \text{ M (Misc.collections)} = \$64.3 \text{ M (Tot.Collections) CY 1986}$   
 $\$55.8 \text{ M (Contributions due)} + \$11.2 \text{ M (Misc.collections)} = \$67.0 \text{ M (Tot.Collections) CY 1987}$

4. Convert to Fiscal Year Collections

<u>Collections Due</u> C.Y. 1985	<u>Collections Due</u> C.Y. 1986	<u>Collections Due</u> C.Y. 1987
1st Qtr = \$22.2 M	\$23.3 M	\$24.2 M
2nd Qtr = \$16.8 M	\$17.6 M	\$18.4 M
3rd Qtr = \$12.5 M	\$13.2 M	\$13.7 M
4th Qtr = \$9.6 M	\$10.1 M	\$10.6 M

<u>Actual Collections</u> F.Y. 1986	<u>Actual Collections</u> F.Y. 1987
1st Qtr = \$16.8 M	\$17.6 M
2nd Qtr = \$12.5 M	\$13.2 M
3rd Qtr = \$9.6 M	\$10.1 M
4th Qtr = <u>\$23.3 M</u>	<u>\$24.2 M</u>
Total = <u>\$62.2 M</u>	<u>\$65.1 M</u>

BENEFITS (current law)

Assumptions:

1. It is estimated the Average Weekly Claims (AWC) for benefits will be 11,250 and 11,600 for F.Y.s 1986 and 1987 respectively.

Of these, approximately 85% will actually be paid benefits.

2. It is estimated the Average Weekly Benefit Amount (AWBA) will be \$134 and \$142 for F.Y.s 1986 and 1987 respectively.
3. There will be no Extended Benefit Periods during F.Y.s 1986 and 1987.

Derivation of Estimates:

11,300 (AWC) x .85 x \$134 (AWBA) x 52 weeks = \$67M(Total Benefits) FY 1986

11,600 (AWC) x .85 x \$142 (AWBA) x 52 weeks = \$73M(Total Benefits) FY 1987

Surtax to Pay Federal Advances  
(Proposal)

New Section

Assumptions

1. It is estimated that \$8.5 M is needed to repay the federal loan.
2. The surtax will be applied to an estimated \$3.4 B total wages, therefore the surtax will be .25%.

Derivation of Estimates

\$3.4 B X .25% estimated rate = \$8.5 M (Begin collection on passage)

Taxable Wage Base = 80% of Average Annual Wage  
(Proposed Law)

Section 39-51-1108

Assumptions

1. There will be total experience rated wages of \$3.4 B, \$3.7 B and \$4.0 B for calendar years 1985, 1986 and 1987 respectively.
2. The ratio of taxable wages to total wages will be .60 for calendar years 1985, 1986 and 1987.
3. The average tax rate applied to total taxable wages will be 3.1% for calendar years 1985, 1986 and 1987. (This includes 0.1% Job Service Assessment)
4. Under current law, contributions due for CYs 1985, 1986 and 1987 are estimated to be \$51.5 M, \$53.8 M, and \$55.7 M respectively.

Derivation of Estimates

CY 1985  $\$3.4 \text{ B} \times .6 \times 3.1 = \underline{\$63.2 \text{ M}}$  Contributions Due  
CY 1986  $\$3.7 \text{ B} \times .6 \times 3.1 = \underline{\$68.8 \text{ M}}$  Contributions Due  
CY 1987  $\$4.0 \text{ B} \times .6 \times 3.1 = \underline{\$74.4 \text{ M}}$  Contributions Due

Collections due are distributed quarterly when collected, then converted to Fiscal Year. The net result is an increase in collections of \$12.1 M and \$13.1 M for FYs 1986 and 1987 respectively.



Changes in the method of computing the experience rate for employers

Proposed Law

Section 39-51-1213 and 39-51-1215

There would be no significant affect on expenditures and revenues for the biennium under this proposal.

Required waiting week on Transitional Claims

Proposed Law

Section 39-51-2104

There will be no significant affect on expenditures or revenues during the biennium under this proposal.

Increase in The Average Tax Rate  
(Proposed Law)

Section 39-51-1218

Assumptions

1. There will be total experience rated wages of \$3.4 B, \$3.7 B and \$4.0 B for calendar years 1985, 1986 and 1987.
2. The ratio of taxable wages to total wages  $\left(\frac{TxW}{ToW}\right)$  will be .60 for calendar years 1985, 1986 and 1987.
3. The increase in the average tax rate is 0.2% for calendar year 1985, 1986 and 1987.

Derivation of Estimates

CY 1985 \$3.4 B X 60% X 0.2% = \$4.08 M (additional collections)

CY 1986 \$3.7 B X 60% X 0.2% = \$4.44 M (additional collections)

CY 1987 \$4.0 B X 60% X 0.2% = \$4.80 M (additional collections)

FY 1986 Collections compute to \$4.2 M

FY 1987 Collections compute to \$4.4 M

Collections are distributed quarterly when collected, then converted to fiscal year.

Freeze Maximum Benefit Amount  
(Proposed Law)

Section 39-51-2201

Assumptions

1. Under proposed law the maximum weekly benefit amount (MWBA) will remain at \$171 for the period July 1, 1985 to January 3, 1987. Therefore, the (MWBA) is expected to be reduced by \$12 in FY 1986 and \$24 for half of FY 1987.
2. It is estimated that 14,000 claimants will have their benefit amount reduced by an average of \$11.50/wk for an average of 13 weeks in FY 1986.

It is estimated that 5,000 claimants will have their benefit amount reduced by an average of \$23/wk for an average of 13 weeks in the first half of FY 1987.

Derivation of Estimates

14,000 (claimants) X 11.50 (reduction) X 13 weeks = \$2.1 M (FY 1986)

5,000 (claimants) X \$23 (reduction) X 13 weeks = \$1.5 M (FY 1987)

Disqualification - Quit With Good Cause

(Proposed Law)

Section 39-51-2302

Assumptions

1. The number of individuals considered for disqualification under voluntary quit for FY 1986 and FY 1987 will be 8,000 and 7,500 respectively.
2. Of those considered for disqualification, 1,600 more will be disqualified in FY 1986 and 1,500 more will be disqualified in FY 1987 than under current law.
3. 10% of those individuals disqualified requalify for and receive benefits. Therefore, 1,600 x 90% not qualifying or 1,440 and 1,500 x 90% not qualifying or 1,350 more claimants would be disqualified in Fiscal Years 1986 and 1987 respectively.
4. The expected average weekly benefit amount (AWBA) is \$134 and \$142 for FYs 1986 and 1987 respectively.
5. The expected average duration is 13 weeks.

Derivation of Estimates

1,440 (claimants) x \$134 (AWBA) x 13 (weeks) = \$2.5M FY 1986

1,350 (claimants) x \$142 (AWBA) x 13 (weeks) = \$2.5M FY 1987

Reducing Weekly Benefit Amount  
(Proposed Law)

Section 39-51-2401

Assumptions

1. Estimated total benefits paid under current law will be \$67.0 M and \$73.0 M for FY 1986 and FY 1987 respectively.
2. Each individuals benefit amount will be reduced by 2% under the new provision. Therefore, all benefits will be reduced by 2%.

Derivation of Estimates

\$67.0 M (Total Benefits) X .02 (2% reduction) = \$1.3 M savings FY 1986

\$73.0 M (Total Benefits) X .02 (2% reduction) = \$1.5 M savings FY 1987

APPROVED BY COMM. ON  
BUSINESS AND LABOR

HOUSE BILL NO. 284

INTRODUCED BY HARPER, DONALDSON, FULLER, QUILICI  
BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

A BILL FOR AN ACT ENTITLED: "AN ACT MAKING THE UNEMPLOYMENT TRUST FUND SOLVENT; INCREASING THE TAX ON EMPLOYERS; CHANGING THE METHOD OF COMPUTING THE EXPERIENCE RATING; CHANGING BENEFIT AMOUNTS; PROVIDING FOR DISQUALIFICATION IF AN EMPLOYEE LEAVES WORK WITHOUT GOOD CAUSE ATTRIBUTABLE TO HIS EMPLOYMENT; AMENDING SECTIONS 39-51-1108, 39-51-1213, 39-51-1215, 39-51-1218, 39-51-2104, 39-51-2201, AND 39-51-2302, MCA; PROVIDING THAT CERTAIN SECTIONS OF THE ACT ARE RETROACTIVE; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Surtax to pay federal advances. The department shall for each calendar year determine the rate of a surtax to be charged during that year to all employers. The rate of the surtax must be based on federal advances that will or have become due in that calendar year. The surtax applies to each employer's total wages paid during that calendar year. The surtax rate for any calendar year may not be more than 0.3% of total wages paid during that calendar year. The surtax must be paid in

the same manner as regular contributions.

Section 2. Section 39-51-1108, MCA, is amended to read:

"39-51-1108. Amount of wages per employee subject to contribution. (1) Payment of contributions shall apply only to wages paid up to and including \$4,200 the amount specified in this section by an employer to an employee with respect to employment ~~during the calendar years 1972, 1973, 1974, and the first calendar quarter of year 1975.~~

~~(2) For the second calendar quarter of the calendar year 1975 through the fourth calendar quarter of 1977, the taxable wage base for each year is \$4,800.~~

~~(3) Effective January 1, 1978, and thereafter, the taxable wage base for each year is \$6,000.~~

~~(4)~~ (2) For the first calendar quarter of 1979 and thereafter, the The taxable wage base for each year is the greater of:

(a) ~~75%~~ 80% of the average annual wage as determined under 39-51-2201 ~~(2)~~ (rounded to the nearest \$100 ~~not to exceed an increase of \$200 over the taxable wage base of the preceding year~~) during the calendar year immediately preceding the most recently completed calendar year; or

(b) the amount of taxable wage base specified in the Federal Unemployment Tax Act.

~~(5) Notwithstanding subsection (4), the taxable wage~~



1 ~~base-for-1979-shall-be-\$7,400-~~"

2 Section 3. Section 39-51-1213, MCA, is amended to  
3 read:

4 "39-51-1213. Classification of employers for  
5 experience rating purposes. (1) The department shall for  
6 each calendar year classify employers in accordance with  
7 their actual experience in the payment of contributions and  
8 with respect to benefits charged against their accounts,  
9 with contribution rates reflecting benefit experience. Each  
10 employer's rate for a calendar year shall be determined on  
11 the basis of his record as of October 1 of the preceding  
12 calendar year.

13 (2) In making the classification, each eligible and  
14 deficit employer's contribution rate is determined in the  
15 manner set forth below ~~for-the-calendar-year-1980-and-for~~  
16 ~~each-calendar-year-thereafter:~~

17 (a) Each employer is given an "experience factor"  
18 which is contributions paid since October 1, 1981, minus  
19 benefits charged on each employer's account ~~for--the--most~~  
20 ~~recent--3-fiscal-years-immediately-preceding-the-computation~~  
21 ~~date since October 1, 1981~~, divided by his average annual  
22 taxable payroll rounded to the next lower dollar amount for  
23 the ~~same~~ 3 fiscal years immediately preceding the  
24 computation date. The computation of the "experience factor"  
25 shall be to six decimal places.

1 (b) Schedules shall be prepared listing all eligible  
2 and deficit employers in inverse numerical order of their  
3 experience factors. There shall be listed on such schedules  
4 for each employer in addition to the experience factor:

5 (i) the amount of his taxable payroll for the fiscal  
6 year ending on the computation date; and

7 (ii) the cumulative total consisting of the sum of the  
8 employer's taxable payroll for the fiscal year ending on the  
9 computation date and the corresponding taxable payrolls for  
10 all other employers preceding him on the schedules.

11 (3) The cumulative taxable payroll amounts listed on  
12 the schedules provided for in 39-51-1218 shall be segregated  
13 into groups that will yield approximately the average tax  
14 rate according to the tax schedule assigned for that  
15 particular taxable year. Each group shall be identified by  
16 the rate class number listed in the table which represents  
17 the percentage limits of each group. Each employer on the  
18 schedules is assigned that contribution rate opposite his  
19 rate class for the tax schedule in effect for the taxable  
20 year.

21 (4) (a) If the grouping of rate classes requires the  
22 inclusion of exactly one-half of an employer's taxable  
23 payroll, the employer is assigned the lower of the two rates  
24 designated for the two classes in which the halves of his  
25 taxable payroll are so required.

1 (b) If the group of rate classes requires the  
2 inclusion of a portion other than exactly one-half of an  
3 employer's taxable payroll, the employer is assigned the  
4 rate designated for the class in which the greater part of  
5 his taxable payroll is so required.

6 (c) If one or more employers on the schedules have  
7 experience factors identical to that of the last employer  
8 included in a particular rate class, all such employers are  
9 included in and assigned the contribution rate specified for  
10 such class, notwithstanding the provisions of 39-51-1214.

11 (5) If the taxable payroll amount or the experience  
12 factor or both such taxable payroll amount and experience  
13 factor of any eligible or deficit employer listed on the  
14 schedules is changed, the employer is placed in that  
15 position on the schedules which he would have occupied had  
16 his taxable payroll amount or experience factor as changed  
17 been used in determining his position in the first instance,  
18 but such change does not affect the position or rate  
19 classification of any other employer listed on the schedules  
20 and does not affect the rate determination for previous  
21 years."

22 Section 4. Section 39-51-1215, MCA, is amended to  
23 read:

24 "39-51-1215. Maintenance of experience rating records.  
25 An experience rating record shall be maintained for each

1 covered employer. The record is credited with all  
2 contributions which the covered employer has paid for--the  
3 most---recent--3--fiscal--years--immediately--preceding--the  
4 computation-date--prior-to-the-cutoff-date since October 1,  
5 1981. The record is also charged with the amount of benefits  
6 paid which are chargeable to the covered employer's account  
7 for-the-most-recent-3-fiscal-years-ending-September-30 since  
8 October 1, 1981. Nothing in this section grants any covered  
9 employer or individual in his service a priority with  
10 respect to any claim or right because of amounts paid by the  
11 covered employer into the employment security fund."

12 Section 5. Section 39-51-1218, MCA, is amended to  
13 read:

14 "39-51-1218. Rate schedules.

15 SCHEDULES OF CONTRIBUTION RATES -- Part I

	Sched.	Sched.	Sched.	Sched.
	I	II	III	IV
18 Minimum Ratio of				
19 Fund to Total Wages	<del>(.0150)</del>	<del>(.0145)</del>	<del>(.0140)</del>	<del>(.0130)</del>
20	<del>(.0270)</del>	<del>(.0260)</del>	<del>(.0245)</del>	<del>(.0225)</del>
21	<u>(.0260)</u>	<u>(.0245)</u>	<u>(.0225)</u>	<u>(.0200)</u>
22 Average Tax Rate	1.3	1.5	1.7	1.9
23	<u>1.4</u>	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>
24 -----				
25 Rate Class	Contribution Rates For Eligible Employers			



1	1	<u>0.2%</u>	<u>0.3%</u>	<u>0.5%</u>	<u>0.7%</u>
2		<u>0.0%</u>	<u>0.1%</u>	<u>0.3%</u>	<u>0.5%</u>
3	2	<u>0.4</u>	<u>0.6</u>	<u>0.8</u>	<u>1.0</u>
4		<u>0.1</u>	<u>0.3</u>	<u>0.5</u>	<u>0.7</u>
5	3	<u>0.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>
6		<u>0.3</u>	<u>0.5</u>	<u>0.7</u>	<u>0.9</u>
7	4	<u>1.0</u>	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>
8		<u>0.5</u>	<u>0.7</u>	<u>0.9</u>	<u>1.1</u>
9	5	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
10		<u>0.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>
11	6	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>
12		<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>
13	7	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
14		<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>
15	8	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
16	9	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>
17	10	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>

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19 Contribution Rates For Unrated Employers

20	<u>2.1%</u>	<u>2.3%</u>	<u>2.5%</u>	<u>2.7%</u>
21	<u>2.0%</u>	<u>2.2%</u>	<u>2.4%</u>	<u>2.6%</u>

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23 Rate Class Contribution Rates For Deficit Employers

24	1	<u>2.2%</u>	<u>2.4%</u>	<u>2.6%</u>	<u>2.8%</u>
25		<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>

1	2	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>
2		<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>
3	3	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>
4		<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>
5	4	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>
6		<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>
7	5	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>
8		<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>
9	6	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>
10		<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>
11	7	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>
12	8	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>
13	9	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>
14	10	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>

15 SCHEDULES OF CONTRIBUTION RATES -- Part II

16	Sched.	Sched.	Sched.	Sched.	Sched.	Sched.
17	V	VI	VII	VIII	IX	X
18	<del>(.0120)</del>	<del>(.0110)</del>	<del>(.0095)</del>	<del>(.0075)</del>	(.0050)	(.....)
19	<del>(.0200)</del>	<del>(.0170)</del>	<del>(.0135)</del>	<del>(.0095)</del>		
20	<del>(.0170)</del>	<del>(.0135)</del>	<del>(.0095)</del>	<del>(.0075)</del>		
21	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
22	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>

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24 Contribution Rates For Eligible Employers

25	<u>0.9%</u>	<u>1.1%</u>	<u>1.3%</u>	<u>1.5%</u>	<u>1.7%</u>	<u>1.9%</u>
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1	<u>0.7%</u>	<u>0.9%</u>	<u>1.1%</u>	<u>1.3%</u>	<u>1.5%</u>	<u>1.7%</u>
2	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>
3	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
4	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
5	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>
6	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>
7	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
8	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
9	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
10	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>
11	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>
12	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>	<u>3.5</u>	<u>3.7</u>
13	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>
14	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
15	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>
16	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>	<u>3.5</u>

1	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>
2	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>
3	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>
4	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>
5	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>
6	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>
7	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>
8	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>
9	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>
10	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>
11	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>	<u>6.4</u>
12	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>	<u>6.4</u>	<u>6.6</u>
13	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>

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18 Contribution Rates For Unrated Employers

19	<u>2.9%</u>	<u>3.1%</u>	<u>3.3%</u>	<u>3.5%</u>	<u>3.7%</u>	<u>3.9%</u>
20	<u>2.8%</u>	<u>3.0%</u>	<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>

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22 Contribution Rates For Deficit Employers

23	<u>3.0%</u>	<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>	<u>4.0%</u>
24	<u>4.0%</u>	<u>4.2%</u>	<u>4.4%</u>	<u>4.6%</u>	<u>4.8%</u>	<u>5.0%</u>
25	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>

14 Section 6. Section 39-51-2104, MCA, is amended to

15 read:

16 "39-51-2104. General benefit eligibility conditions.

17 An unemployed individual is eligible to receive benefits for

18 any week of total unemployment within his benefit year only

19 if the department finds that:

20 (1) he has registered for work at and thereafter has

21 continued to report at an employment office in accordance

22 with such regulation as the department may prescribe, except

23 that the department may, by regulation, prescribe that in

24 cases in which it finds such requirements oppressive or

25 inconsistent with the purposes of this chapter, an

1 unemployed individual may register and report for work by  
 2 mail or through other governmental agencies;

3 (2) he has made a claim for benefits in accordance  
 4 with the provisions of 39-51-2401;

5 (3) he is able to work and is available for work and  
 6 is seeking work; provided, however, that no claimant is  
 7 considered ineligible in any week of unemployment for  
 8 failure to comply with the provisions of this subsection if  
 9 such failure is due to an illness or disability which occurs  
 10 after he has registered for work and no suitable work has  
 11 been offered to such claimant after the beginning of such  
 12 illness or disability;

13 (4) prior to any the first week for which he claims is  
 14 paid benefits he has been totally unemployed for a waiting  
 15 period of 1 week. ~~However, if claimant's benefit year~~  
 16 ~~expires during a period of compensable unemployment,~~  
 17 ~~claimant will continue to receive weekly benefits in a new~~  
 18 ~~benefit year, if otherwise eligible, without interruption to~~  
 19 ~~serve the waiting week for the new benefit year but will~~  
 20 ~~thereafter be required to serve the waiting week before~~  
 21 ~~receiving benefits during subsequent unemployment in the new~~  
 22 ~~benefit year.~~ No week is counted as a week of total  
 23 unemployment for the purposes of this subsection:

- 24 (a) if benefits have been paid with respect thereto;
- 25 (b) unless the individual was eligible for benefits

1 with respect thereto;

2 (c) unless it occurs within the benefit year of the  
 3 claimant;

4 (d) unless it occurs after benefits first could become  
 5 payable to any individual under this chapter."

6 Section 7. Section 39-51-2201, MCA, is amended to  
 7 read:

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

- 24 (2) On or before May 31 of each year, the total wages  
 25 paid by all employers as reported on contribution reports

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

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

21 Section 8. Section 39-51-2302, MCA, is amended to  
 22 read:

23 "39-51-2302. Disqualification for leaving work without  
 24 good cause. (1) An individual shall be disqualified for  
 25 benefits if he has left work without good cause attributable

1 to his employment.

2 (2) He may not be disqualified if the department finds  
 3 that he left his employment because of personal illness or  
 4 injury not associated with misconduct or left his employment  
 5 upon the advice of a licensed and practicing physician and,  
 6 after recovering from his illness or injury when recovery is  
 7 certified by a licensed and practicing physician, he  
 8 returned to his employer and offered his service and his  
 9 regular or comparable suitable work was not available, if so  
 10 found by the department, provided he is otherwise eligible.

11 (3) To requalify for benefits, an individual must  
 12 perform services other than self-employment for which  
 13 remuneration is received equal to or in excess of six times  
 14 his weekly benefit amount subsequent to the week in which  
 15 the act causing the disqualification occurred unless he has  
 16 been in regular attendance at an educational institution  
 17 accredited by the state of Montana for at least 3  
 18 consecutive months from the date of his enrollment."

19 NEW SECTION. Section 9. Extension of authority. Any  
 20 existing authority of the department of labor and industry  
 21 to make rules on the subject of the provisions of this act  
 22 is extended to the provisions of this act.

23 NEW SECTION. Section 10. Codification instruction.  
 24 Section 1 is intended to be codified as an integral part of  
 25 Title 39, chapter 51, and the provisions of Title 39,

1 chapter 51, apply to section 1.

2 NEW SECTION. Section 11. Applicability. Sections 1  
3 through 5 apply retroactively, within the meaning of  
4 1-2-109, to January 1, 1985.

5 NEW SECTION. Section 12. Effective dates --  
6 termination. (1) Sections 1 through 5, 9, 11, and this  
7 section are effective on passage and approval.

8 (2) Sections 6 through 8 are effective July 1, 1985.

9 (3) Section 1 terminates on July 1, 1987.

-End-

## 1 HOUSE BILL NO. 284

2 INTRODUCED BY HARPER, DONALDSON, FULLER, QUILICI  
3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT MAKING THE UNEMPLOYMENT  
6 TRUST FUND SOLVENT; INCREASING THE TAX ON EMPLOYERS;  
7 CHANGING THE METHOD OF COMPUTING THE EXPERIENCE RATING;  
8 CHANGING BENEFIT AMOUNTS; PROVIDING FOR DISQUALIFICATION IF  
9 AN EMPLOYEE LEAVES WORK WITHOUT GOOD CAUSE ATTRIBUTABLE TO  
10 HIS EMPLOYMENT; AMENDING SECTIONS 39-51-1108, 39-51-1213,  
11 39-51-1215, 39-51-1218, 39-51-2104, 39-51-2201, AND  
12 39-51-2302, MCA; PROVIDING THAT CERTAIN SECTIONS OF THE ACT  
13 ARE RETROACTIVE; AND PROVIDING EFFECTIVE DATES AND A  
14 TERMINATION DATE."

15  
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17 NEW SECTION. Section 1. Surtax to pay federal  
18 advances. The department shall for each calendar year  
19 determine the rate of a surtax to be charged during that  
20 year to all employers. The rate of the surtax must be based  
21 on federal advances that will or have become due in that  
22 calendar year. The surtax applies to each employer's total  
23 wages paid during that calendar year. The surtax rate for  
24 any calendar year may not be more than 0.3% of total wages  
25 paid during that calendar year. The surtax must be paid in

1 the same manner as regular contributions.

2 Section 2. Section 39-51-1108, MCA, is amended to  
3 read:

4 "39-51-1108. Amount of wages per employee subject to  
5 contribution. (1) Payment of contributions shall apply only  
6 to wages paid up to and including \$4,200 the amount  
7 specified in this section by an employer to an employee with  
8 respect to employment during ~~the calendar years 1972, 1973,~~  
9 ~~1974, and the first calendar quarter of year 1975.~~

10 ~~(2) For the second calendar quarter of the calendar~~  
11 ~~year 1975 through the fourth calendar quarter of 1977, the~~  
12 ~~taxable wage base for each year is \$4,800.~~

13 ~~(3) Effective January 1, 1978, and thereafter, the~~  
14 ~~taxable wage base for each year is \$6,800.~~

15 ~~(4) (2) For the first calendar quarter of 1979 and~~  
16 ~~thereafter, the The taxable wage base for each year is the~~  
17 ~~greater of:~~

18 ~~(a) 75% 80% of the average annual wage as determined~~  
19 ~~under 39-51-2201 (2) (rounded to the nearest \$100 not to~~  
20 ~~exceed an increase of \$200 over the taxable wage base of the~~  
21 ~~preceding year) during the calendar year immediately~~  
22 ~~preceding the most recently completed calendar year, or~~

23 ~~(b) the amount of taxable wage base specified in the~~  
24 ~~Federal Unemployment Tax Act.~~

25 ~~(5) Notwithstanding subsection (4) the taxable wage~~

1 ~~base-for-1979-shall-be-\$7,400.~~"

2 Section 3. Section 39-51-1213, MCA, is amended to  
3 read:

4 "39-51-1213. Classification of employers for  
5 experience rating purposes. (1) The department shall for  
6 each calendar year classify employers in accordance with  
7 their actual experience in the payment of contributions and  
8 with respect to benefits charged against their accounts,  
9 with contribution rates reflecting benefit experience. Each  
10 employer's rate for a calendar year shall be determined on  
11 the basis of his record as of October 1 of the preceding  
12 calendar year.

13 (2) In making the classification, each eligible and  
14 deficit employer's contribution rate is determined in the  
15 manner set forth below ~~for-the-calendar-year-1980-and-for~~  
16 ~~each-calendar-year-thereafter:~~

17 (a) Each employer is given an "experience factor"  
18 which is contributions paid since October 1, 1981, minus  
19 benefits charged on each employer's account ~~for--the--most~~  
20 ~~recent--3-fiscal-years-immediately-preceding-the-computation~~  
21 ~~date since October 1, 1981~~, divided by his average annual  
22 taxable payroll rounded to the next lower dollar amount for  
23 the same 3 fiscal years immediately preceding the  
24 computation date. The computation of the "experience factor"  
25 shall be to six decimal places.

1 (b) Schedules shall be prepared listing all eligible  
2 and deficit employers in inverse numerical order of their  
3 experience factors. There shall be listed on such schedules  
4 for each employer in addition to the experience factor:

5 (i) the amount of his taxable payroll for the fiscal  
6 year ending on the computation date; and

7 (ii) the cumulative total consisting of the sum of the  
8 employer's taxable payroll for the fiscal year ending on the  
9 computation date and the corresponding taxable payrolls for  
10 all other employers preceding him on the schedules.

11 (3) The cumulative taxable payroll amounts listed on  
12 the schedules provided for in 39-51-1218 shall be segregated  
13 into groups that will yield approximately the average tax  
14 rate according to the tax schedule assigned for that  
15 particular taxable year. Each group shall be identified by  
16 the rate class number listed in the table which represents  
17 the percentage limits of each group. Each employer on the  
18 schedules is assigned that contribution rate opposite his  
19 rate class for the tax schedule in effect for the taxable  
20 year.

21 (4) (a) If the grouping of rate classes requires the  
22 inclusion of exactly one-half of an employer's taxable  
23 payroll, the employer is assigned the lower of the two rates  
24 designated for the two classes in which the halves of his  
25 taxable payroll are so required.

1 (b) If the group of rate classes requires the  
2 inclusion of a portion other than exactly one-half of an  
3 employer's taxable payroll, the employer is assigned the  
4 rate designated for the class in which the greater part of  
5 his taxable payroll is so required.

6 (c) If one or more employers on the schedules have  
7 experience factors identical to that of the last employer  
8 included in a particular rate class, all such employers are  
9 included in and assigned the contribution rate specified for  
10 such class, notwithstanding the provisions of 39-51-1214.

11 (5) If the taxable payroll amount or the experience  
12 factor or both such taxable payroll amount and experience  
13 factor of any eligible or deficit employer listed on the  
14 schedules is changed, the employer is placed in that  
15 position on the schedules which he would have occupied had  
16 his taxable payroll amount or experience factor as changed  
17 been used in determining his position in the first instance,  
18 but such change does not affect the position or rate  
19 classification of any other employer listed on the schedules  
20 and does not affect the rate determination for previous  
21 years."

22 Section 4. Section 39-51-1215, MCA, is amended to  
23 read:

24 "39-51-1215. Maintenance of experience rating records.  
25 An experience rating record shall be maintained for each

1 covered employer. The record is credited with all  
2 contributions which the covered employer has paid for--the  
3 most---recent--3--fiscal--years--immediately--preceding--the  
4 computation-date, prior-to-the-cutoff-date since October 1,  
5 1981. The record is also charged with the amount of benefits  
6 paid which are chargeable to the covered employer's account  
7 for-the-most-recent-3-fiscal-years-ending-September-30 since  
8 October 1, 1981. Nothing in this section grants any covered  
9 employer or individual in his service a priority with  
10 respect to any claim or right because of amounts paid by the  
11 covered employer into the employment security fund."

12 Section 5. Section 39-51-1218, MCA, is amended to  
13 read:

14 "39-51-1218. Rate schedules.

15 SCHEDULES OF CONTRIBUTION RATES -- Part I

16	Sched.	Sched.	Sched.	Sched.
17	I	II	III	IV
18	Minimum Ratio of			
19	Fund to Total Wages	<del>(.0150)</del>	<del>(.0145)</del>	<del>(.0140)</del>
20		<del>(.0270)</del>	<del>(.0260)</del>	<del>(.0245)</del>
21		<del>(.0260)</del>	<del>(.0245)</del>	<del>(.0225)</del>
22	Average Tax Rate	<del>1.3</del>	<del>1.5</del>	<del>1.7</del>
23		<u>1.4</u>	<u>1.6</u>	<u>1.9</u>
24	-----			
25	Rate Class	Contribution Rates For Eligible Employers		



1	1	<u>0.2%</u>	<u>0.3%</u>	<u>0.5%</u>	<u>0.7%</u>
2		<u>0.0%</u>	<u>0.1%</u>	<u>0.3%</u>	<u>0.5%</u>
3	2	<u>0.4</u>	<u>0.6</u>	<u>0.8</u>	<u>1.0</u>
4		<u>0.1</u>	<u>0.3</u>	<u>0.5</u>	<u>0.7</u>
5	3	<u>0.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>
6		<u>0.3</u>	<u>0.5</u>	<u>0.7</u>	<u>0.9</u>
7	4	<u>1.0</u>	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>
8		<u>0.5</u>	<u>0.7</u>	<u>0.9</u>	<u>1.1</u>
9	5	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
10		<u>0.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>
11	6	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>
12		<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>
13	7	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
14		<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>
15	8	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
16	9	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>
17	10	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>

Contribution Rates For Unrated Employers

20		<u>2.1%</u>	<u>2.3%</u>	<u>2.5%</u>	<u>2.7%</u>
21		<u>2.0%</u>	<u>2.2%</u>	<u>2.4%</u>	<u>2.6%</u>

Contribution Rates For Deficit Employers

24	1	<u>2.2%</u>	<u>2.4%</u>	<u>2.6%</u>	<u>2.8%</u>
25		<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>

1	2	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>
2		<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>
3	3	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>
4		<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>
5	4	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>
6		<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>
7	5	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>
8		<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>
9	6	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>
10		<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>
11	7	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>
12	8	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>
13	9	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>
14	10	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>

SCHEDULES OF CONTRIBUTION RATES -- Part II

16	Sched.	Sched.	Sched.	Sched.	Sched.	Sched.
17	V	VI	VII	VIII	IX	X
18	<u>(.0120)</u>	<u>(.0110)</u>	<u>(.0095)</u>	<u>(.0075)</u>	<u>(.0050)</u>	<u>(.....)</u>
19	<u>(.0200)</u>	<u>(.0170)</u>	<u>(.0135)</u>	<u>(.0095)</u>		
20	<u>(.0170)</u>	<u>(.0135)</u>	<u>(.0095)</u>	<u>(.0075)</u>		
21	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
22	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>

Contribution Rates For Eligible Employers

25	<u>0.9%</u>	<u>1.1%</u>	<u>1.3%</u>	<u>1.5%</u>	<u>1.7%</u>	<u>1.9%</u>
----	-------------	-------------	-------------	-------------	-------------	-------------

1	<u>0.7%</u>	<u>0.9%</u>	<u>1.1%</u>	<u>1.3%</u>	<u>1.5%</u>	<u>1.7%</u>
2	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>
3	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
4	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
5	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>
6	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>
7	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
8	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
9	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
10	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>
11	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>
12	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>	<u>3.5</u>	<u>3.7</u>
13	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>
14	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
15	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>
16	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>	<u>3.5</u>

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Contribution Rates For Unrated Employers

19	<u>2.9%</u>	<u>3.1%</u>	<u>3.3%</u>	<u>3.5%</u>	<u>3.7%</u>	<u>3.9%</u>
20	<u>2.8%</u>	<u>3.0%</u>	<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>

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Contribution Rates For Deficit Employers

23	<u>3.0%</u>	<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>	<u>4.0%</u>
24	<u>4.0%</u>	<u>4.2%</u>	<u>4.4%</u>	<u>4.6%</u>	<u>4.8%</u>	<u>5.0%</u>
25	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>

1	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>
2	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>
3	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>
4	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>
5	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>
6	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>
7	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>
8	<u>4.8</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>
9	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>
10	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>
11	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>	<u>6.4</u>
12	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>	<u>6.4</u>	<u>6.4</u>
13	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>

Section 6. Section 39-51-2104, MCA, is amended to read:

"39-51-2104. General benefit eligibility conditions. An unemployed individual is eligible to receive benefits for any week of total unemployment within his benefit year only if the department finds that:

(1) he has registered for work at and thereafter has continued to report at an employment office in accordance with such regulation as the department may prescribe, except that the department may, by regulation, prescribe that in cases in which it finds such requirements oppressive or inconsistent with the purposes of this chapter, an

1 unemployed individual may register and report for work by  
2 mail or through other governmental agencies;

3 (2) he has made a claim for benefits in accordance  
4 with the provisions of 39-51-2401;

5 (3) he is able to work and is available for work and  
6 is seeking work; provided, however, that no claimant is  
7 considered ineligible in any week of unemployment for  
8 failure to comply with the provisions of this subsection if  
9 such failure is due to an illness or disability which occurs  
10 after he has registered for work and no suitable work has  
11 been offered to such claimant after the beginning of such  
12 illness or disability;

13 (4) prior to any the first week for which he claims is  
14 paid benefits he has been totally unemployed for a waiting  
15 period of 1 week. ~~However, if claimant's benefit year~~  
16 ~~expires during a period of compensable unemployment,~~  
17 ~~claimant will continue to receive weekly benefits in a new~~  
18 ~~benefit year if otherwise eligible, without interruption to~~  
19 ~~serve the waiting week for the new benefit year but will~~  
20 ~~thereafter be required to serve the waiting week before~~  
21 ~~receiving benefits during subsequent unemployment in the new~~  
22 ~~benefit year.~~ No week is counted as a week of total  
23 unemployment for the purposes of this subsection:

24 (a) if benefits have been paid with respect thereto;

25 (b) unless the individual was eligible for benefits

1 with respect thereto;

2 (c) unless it occurs within the benefit year of the  
3 claimant;

4 (d) unless it occurs after benefits first could become  
5 payable to any individual under this chapter."

6 Section 7. Section 39-51-2201, MCA, is amended to  
7 read:

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

24 (2) On or before May 31 of each year, the total wages  
25 paid by all employers as reported on contribution reports

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

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

21 Section 8. Section 39-51-2302, MCA, is amended to  
 22 read:

23 "39-51-2302. Disqualification for leaving work without  
 24 good cause. (1) An individual shall be disqualified for  
 25 benefits if he has left work without good cause attributable

1 to his employment.

2 (2) He may not be disqualified if the department finds  
 3 that he left his employment because of personal illness or  
 4 injury not associated with misconduct or left his employment  
 5 upon the advice of a licensed and practicing physician and,  
 6 after recovering from his illness or injury when recovery is  
 7 certified by a licensed and practicing physician, he  
 8 returned to his employer and offered his service and his  
 9 regular or comparable suitable work was not available, if so  
 10 found by the department, provided he is otherwise eligible.

11 (3) To requalify for benefits, an individual must  
 12 perform services other than self-employment for which  
 13 remuneration is received equal to or in excess of six times  
 14 his weekly benefit amount subsequent to the week in which  
 15 the act causing the disqualification occurred unless he has  
 16 been in regular attendance at an educational institution  
 17 accredited by the state of Montana for at least 3  
 18 consecutive months from the date of his enrollment."

19 NEW SECTION. Section 9. Extension of authority. Any  
 20 existing authority of the department of labor and industry  
 21 to make rules on the subject of the provisions of this act  
 22 is extended to the provisions of this act.

23 NEW SECTION. Section 10. Codification instruction.  
 24 Section 1 is intended to be codified as an integral part of  
 25 Title 39, chapter 51, and the provisions of Title 39,

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1 chapter 51, apply to section 1.

2 NEW SECTION. Section 11. Applicability. Sections 1  
3 through 5 apply retroactively, within the meaning of  
4 1-2-109, to January 1, 1985.

5 NEW SECTION. Section 12. Effective dates --  
6 termination. (1) Sections 1 through 5, 9, 11, and this  
7 section are effective on passage and approval.

8 (2) Sections 6 through 8 are effective July 1, 1985.

9 (3) Section 1 terminates on July 1, 1987.

-End-

HOUSE BILL NO. 284

INTRODUCED BY HARPER, DONALDSON, FULLER, QUILICI  
BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

A BILL FOR AN ACT ENTITLED: "AN ACT MAKING THE UNEMPLOYMENT TRUST FUND SOLVENT; INCREASING THE TAX ON EMPLOYERS; CHANGING THE METHOD OF COMPUTING THE EXPERIENCE RATING; CHANGING BENEFIT AMOUNTS; PROVIDING FOR DISQUALIFICATION IF AN EMPLOYEE LEAVES WORK WITHOUT GOOD CAUSE ATTRIBUTABLE TO HIS EMPLOYMENT; AMENDING SECTIONS 39-51-1108, 39-51-1213, 39-51-1215, 39-51-1218, 39-51-2104, 39-51-2201, AND 39-51-2302, MCA; PROVIDING THAT CERTAIN SECTIONS OF THE ACT ARE RETROACTIVE; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Surtax to pay federal advances. The department shall for each calendar year determine the rate of a surtax to be charged during that year to all employers. The rate of the surtax must be based on federal advances that will or have become due in that calendar year. The surtax applies to each employer's total wages paid during that calendar year. The surtax rate for any calendar year may not be more than 0.3% of total wages paid during that calendar year. The surtax must be paid in

the same manner as regular contributions.

Section 2. Section 39-51-1108, MCA, is amended to read:

"39-51-1108. Amount of wages per employee subject to contribution. (1) Payment of contributions shall apply only to wages paid up to and including \$4,200 the amount specified in this section by an employer to an employee with respect to employment during ~~the calendar years 1972, 1973, 1974, and the first calendar quarter of year 1975.~~

~~(2) For the second calendar quarter of the calendar year 1975 through the fourth calendar quarter of 1977, the taxable wage base for each year is \$4,800.~~

~~(3) Effective January 1, 1978, and thereafter the taxable wage base for each year is \$6,800.~~

~~(4) (2) For the first calendar quarter of 1979 and thereafter, the The taxable wage base for each year is the greater of:~~

~~(a) 75% 80% of the average annual wage as determined under 39-51-2201(2) (rounded to the nearest \$100 not to exceed an increase of \$200 over the taxable wage base of the preceding year) during the calendar year immediately preceding the most recently completed calendar year, or~~

~~(b) the amount of taxable wage base specified in the Federal Unemployment Tax Act.~~

~~(5) Notwithstanding subsection (4) the taxable wage~~



\*

1 ~~base-for-1979-shall-be-\$7,400-~~"

2 Section 3. Section 39-51-1213, MCA, is amended to  
3 read:

4 "39-51-1213. Classification of employers for  
5 experience rating purposes. (1) The department shall for  
6 each calendar year classify employers in accordance with  
7 their actual experience in the payment of contributions and  
8 with respect to benefits charged against their accounts,  
9 with contribution rates reflecting benefit experience. Each  
10 employer's rate for a calendar year shall be determined on  
11 the basis of his record as of October 1 of the preceding  
12 calendar year.

13 (2) In making the classification, each eligible and  
14 deficit employer's contribution rate is determined in the  
15 manner set forth below ~~for-the-calendar-year-1980-and-for~~  
16 ~~each-calendar-year-thereafter:~~

17 (a) Each employer is given an "experience factor"  
18 which is contributions paid since October 1, 1981, minus  
19 benefits charged on each employer's account ~~for--the--most~~  
20 ~~recent--3-fiscal-years-immediately-preceding-the-computation~~  
21 ~~date since October 1, 1981~~, divided by his average annual  
22 taxable payroll rounded to the next lower dollar amount for  
23 the ~~same 3 fiscal years~~ immediately preceding the  
24 computation date. The computation of the "experience factor"  
25 shall be to six decimal places.

1 (b) Schedules shall be prepared listing all eligible  
2 and deficit employers in inverse numerical order of their  
3 experience factors. There shall be listed on such schedules  
4 for each employer in addition to the experience factor:

5 (i) the amount of his taxable payroll for the fiscal  
6 year ending on the computation date; and

7 (ii) the cumulative total consisting of the sum of the  
8 employer's taxable payroll for the fiscal year ending on the  
9 computation date and the corresponding taxable payrolls for  
10 all other employers preceding him on the schedules.

11 (3) The cumulative taxable payroll amounts listed on  
12 the schedules provided for in 39-51-1218 shall be segregated  
13 into groups that will yield approximately the average tax  
14 rate according to the tax schedule assigned for that  
15 particular taxable year. Each group shall be identified by  
16 the rate class number listed in the table which represents  
17 the percentage limits of each group. Each employer on the  
18 schedules is assigned that contribution rate opposite his  
19 rate class for the tax schedule in effect for the taxable  
20 year.

21 (4) (a) If the grouping of rate classes requires the  
22 inclusion of exactly one-half of an employer's taxable  
23 payroll, the employer is assigned the lower of the two rates  
24 designated for the two classes in which the halves of his  
25 taxable payroll are so required.

1 (b) If the group of rate classes requires the  
 2 inclusion of a portion other than exactly one-half of an  
 3 employer's taxable payroll, the employer is assigned the  
 4 rate designated for the class in which the greater part of  
 5 his taxable payroll is so required.

6 (c) If one or more employers on the schedules have  
 7 experience factors identical to that of the last employer  
 8 included in a particular rate class, all such employers are  
 9 included in and assigned the contribution rate specified for  
 10 such class, notwithstanding the provisions of 39-51-1214.

11 (5) If the taxable payroll amount or the experience  
 12 factor or both such taxable payroll amount and experience  
 13 factor of any eligible or deficit employer listed on the  
 14 schedules is changed, the employer is placed in that  
 15 position on the schedules which he would have occupied had  
 16 his taxable payroll amount or experience factor as changed  
 17 been used in determining his position in the first instance,  
 18 but such change does not affect the position or rate  
 19 classification of any other employer listed on the schedules  
 20 and does not affect the rate determination for previous  
 21 years."

22 Section 4. Section 39-51-1215, MCA, is amended to  
 23 read:

24 "39-51-1215. Maintenance of experience rating records.  
 25 An experience rating record shall be maintained for each

1 covered employer. The record is credited with all  
 2 contributions which the covered employer has paid for--the  
 3 ~~most--recent--3--fiscal--years--immediately--preceding--the~~  
 4 ~~computation-date,--prior-to-the-cutoff-date~~ since October 1,  
 5 1981. The record is also charged with the amount of benefits  
 6 paid which are chargeable to the covered employer's account  
 7 ~~for-the-most-recent-3-fiscal-years-ending-September-30~~ since  
 8 October 1, 1981. Nothing in this section grants any covered  
 9 employer or individual in his service a priority with  
 10 respect to any claim or right because of amounts paid by the  
 11 covered employer into the employment security fund."

12 Section 5. Section 39-51-1218, MCA, is amended to  
 13 read:

14 "39-51-1218. Rate schedules.

15 SCHEDULES OF CONTRIBUTION RATES -- Part I

16	Sched.	Sched.	Sched.	Sched.
17	I	II	III	IV
18	Minimum Ratio of			
19	Fund to Total Wages	<del>(.0250)</del>	<del>(.0245)</del>	<del>(.0240)</del>
20		<del>(.0270)</del>	<del>(.0260)</del>	<del>(.0245)</del>
21		<u>(.0260)</u>	<u>(.0245)</u>	<u>(.0225)</u>
22	Average Tax Rate	<del>1.3</del>	<del>1.5</del>	<del>1.7</del>
23		<u>1.4</u>	<u>1.6</u>	<u>2.0</u>
24	-----			
25	Rate Class	Contribution Rates For Eligible Employers		



1	1	<del>0.2%</del>	<del>0.3%</del>	<del>0.5%</del>	<del>0.7%</del>
2		<u>0.0%</u>	<u>0.1%</u>	<u>0.3%</u>	<u>0.5%</u>
3	2	<del>0.4</del>	<del>0.6</del>	<del>0.8</del>	<del>1.0</del>
4		<u>0.1</u>	<u>0.3</u>	<u>0.5</u>	<u>0.7</u>
5	3	<del>0.7</del>	<del>0.9</del>	<del>1.1</del>	<del>1.3</del>
6		<u>0.3</u>	<u>0.5</u>	<u>0.7</u>	<u>0.9</u>
7	4	<del>1.0</del>	<del>1.2</del>	<del>1.4</del>	<del>1.6</del>
8		<u>0.5</u>	<u>0.7</u>	<u>0.9</u>	<u>1.1</u>
9	5	<del>1.3</del>	<del>1.5</del>	<del>1.7</del>	<del>1.9</del>
10		<u>0.7</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>
11	6	<del>1.6</del>	<del>1.8</del>	<del>2.0</del>	<del>2.2</del>
12		<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>
13	7	<del>1.9</del>	<del>2.1</del>	<del>2.3</del>	<del>2.5</del>
14		<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>
15	8	<del>1.3</del>	<del>1.5</del>	<del>1.7</del>	<del>1.9</del>
16	9	<del>1.5</del>	<del>1.7</del>	<del>1.9</del>	<del>2.1</del>
17	10	<del>1.7</del>	<del>1.9</del>	<del>2.1</del>	<del>2.3</del>
18	-----				
19		Contribution Rates For Unrated Employers			
20		<del>2.1%</del>	<del>2.3%</del>	<del>2.5%</del>	<del>2.7%</del>
21		<u>2.0%</u>	<u>2.2%</u>	<u>2.4%</u>	<u>2.6%</u>
22	-----				
23	Rate Class	Contribution Rates For Deficit Employers			
24	1	<del>2.2%</del>	<del>2.4%</del>	<del>2.6%</del>	<del>2.8%</del>
25		<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>

1	2	<del>2.4</del>	<del>2.6</del>	<del>2.8</del>	<del>3.0</del>
2		<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>
3	3	<del>2.6</del>	<del>2.8</del>	<del>3.0</del>	<del>3.2</del>
4		<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>
5	4	<del>2.8</del>	<del>3.0</del>	<del>3.2</del>	<del>3.4</del>
6		<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>
7	5	<del>3.0</del>	<del>3.2</del>	<del>3.4</del>	<del>3.6</del>
8		<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>
9	6	<del>3.2</del>	<del>3.4</del>	<del>3.6</del>	<del>3.8</del>
10		<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>
11	7	<del>4.4</del>	<del>4.6</del>	<del>4.8</del>	<del>5.0</del>
12		<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>
13	8	<del>4.8</del>	<del>5.0</del>	<del>5.2</del>	<del>5.4</del>
14	9	<del>5.0</del>	<del>5.2</del>	<del>5.4</del>	<del>5.6</del>
15	10	<del>6.4</del>	<del>6.4</del>	<del>6.4</del>	<del>6.4</del>
16	SCHEDULES OF CONTRIBUTION RATES -- Part II				
17	Sched.	Sched.	Sched.	Sched.	Sched.
18	V	VI	VII	VIII	IX
19	<del>(.0120)</del>	<del>(.0110)</del>	<del>(.0095)</del>	<del>(.0075)</del>	<del>(.0050)</del>
20	<del>(.0200)</del>	<del>(.0170)</del>	<del>(.0135)</del>	<del>(.0095)</del>	<del>(.0050)</del>
21	<del>(.0170)</del>	<del>(.0135)</del>	<del>(.0095)</del>	<del>(.0075)</del>	<del>(.0050)</del>
22	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>
23	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>
24	-----				
25	Contribution Rates For Eligible Employers				
26	<del>0.9%</del>	<del>1.1%</del>	<del>1.3%</del>	<del>1.5%</del>	<del>1.7%</del>
27	<del>1.1%</del>	<del>1.3%</del>	<del>1.5%</del>	<del>1.7%</del>	<del>1.9%</del>

1	<u>0.7%</u>	<u>0.9%</u>	<u>1.1%</u>	<u>1.3%</u>	<u>1.5%</u>	<u>1.7%</u>
2	<u>1.2</u>	<u>1.4</u>	<u>1.6</u>	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>
3	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>
4	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
5	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>
6	<u>1.8</u>	<u>2.0</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>
7	<u>1.3</u>	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
8	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
9	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>
10	<u>2.4</u>	<u>2.6</u>	<u>2.8</u>	<u>3.0</u>	<u>3.2</u>	<u>3.4</u>
11	<u>1.7</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>
12	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>	<u>3.5</u>	<u>3.7</u>
13	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>
14	<u>2.1</u>	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>
15	<u>2.3</u>	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>
16	<u>2.5</u>	<u>2.7</u>	<u>2.9</u>	<u>3.1</u>	<u>3.3</u>	<u>3.5</u>

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18 Contribution Rates For Unrated Employers

19	<u>2.9%</u>	<u>3.1%</u>	<u>3.3%</u>	<u>3.5%</u>	<u>3.7%</u>	<u>3.9%</u>
20	<u>2.8%</u>	<u>3.0%</u>	<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>

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22 Contribution Rates For Deficit Employers

23	<u>3.0%</u>	<u>3.2%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.8%</u>	<u>4.0%</u>
24	<u>4.0%</u>	<u>4.2%</u>	<u>4.4%</u>	<u>4.6%</u>	<u>4.8%</u>	<u>5.0%</u>
25	<u>3.2</u>	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>

1	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>
2	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>
3	<u>4.4</u>	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>
4	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>
5	<u>4.6</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>
6	<u>3.8</u>	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>
7	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>
8	<u>4.0</u>	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>
9	<u>5.0</u>	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>
10	<u>5.2</u>	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>
11	<u>5.4</u>	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>	<u>6.4</u>
12	<u>5.6</u>	<u>5.8</u>	<u>6.0</u>	<u>6.2</u>	<u>6.4</u>	<u>6.4</u>
13	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u>	<u>6.4</u> "

14 Section 6. Section 39-51-2104, MCA, is amended to  
15 read:

16 "39-51-2104. General benefit eligibility conditions.  
17 An unemployed individual is eligible to receive benefits for  
18 any week of total unemployment within his benefit year only  
19 if the department finds that:

- 20 (1) he has registered for work at and thereafter has  
21 continued to report at an employment office in accordance  
22 with such regulation as the department may prescribe, except  
23 that the department may, by regulation, prescribe that in  
24 cases in which it finds such requirements oppressive or  
25 inconsistent with the purposes of this chapter, an

1 unemployed individual may register and report for work by  
2 mail or through other governmental agencies;

3 (2) he has made a claim for benefits in accordance  
4 with the provisions of 39-51-2401;

5 (3) he is able to work and is available for work and  
6 is seeking work; provided, however, that no claimant is  
7 considered ineligible in any week of unemployment for  
8 failure to comply with the provisions of this subsection if  
9 such failure is due to an illness or disability which occurs  
10 after he has registered for work and no suitable work has  
11 been offered to such claimant after the beginning of such  
12 illness or disability;

13 (4) prior to any the first week for which he claims is  
14 paid benefits he has been totally unemployed for a waiting  
15 period of 1 week. ~~However, if claimant's benefit year~~  
16 ~~expires during a period of compensable unemployment,~~  
17 ~~claimant will continue to receive weekly benefits in a new~~  
18 ~~benefit year, if otherwise eligible, without interruption to~~  
19 ~~serve the waiting week for the new benefit year but will~~  
20 ~~thereafter be required to serve the waiting week before~~  
21 ~~receiving benefits during subsequent unemployment in the new~~  
22 ~~benefit year.~~ No week is counted as a week of total  
23 unemployment for the purposes of this subsection:

24 (a) if benefits have been paid with respect thereto;

25 (b) unless the individual was eligible for benefits

1 with respect thereto;

2 (c) unless it occurs within the benefit year of the  
3 claimant;

4 (d) unless it occurs after benefits first could become  
5 payable to any individual under this chapter."

6 Section 7. Section 39-51-2201, MCA, is amended to  
7 read:

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

24 (2) On or before May 31 of each year, the total wages  
25 paid by all employers as reported on contribution reports

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

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

21 Section 8. Section 39-51-2302, MCA, is amended to  
 22 read:

23 "39-51-2302. Disqualification for leaving work without  
 24 good cause. (1) An individual shall be disqualified for  
 25 benefits if he has left work without good cause attributable

1 to his employment.

2 (2) He may not be disqualified if the department finds  
 3 that he left his employment because of personal illness or  
 4 injury not associated with misconduct or left his employment  
 5 upon the advice of a licensed and practicing physician and,  
 6 after recovering from his illness or injury when recovery is  
 7 certified by a licensed and practicing physician, he  
 8 returned to his employer and offered his service and his  
 9 regular or comparable suitable work was not available, if so  
 10 found by the department, provided he is otherwise eligible.

11 (3) To requalify for benefits, an individual must  
 12 perform services other than self-employment for which  
 13 remuneration is received equal to or in excess of six times  
 14 his weekly benefit amount subsequent to the week in which  
 15 the act causing the disqualification occurred unless he has  
 16 been in regular attendance at an educational institution  
 17 accredited by the state of Montana for at least 3  
 18 consecutive months from the date of his enrollment."

19 NEW SECTION. Section 9. Extension of authority. Any  
 20 existing authority of the department of labor and industry  
 21 to make rules on the subject of the provisions of this act  
 22 is extended to the provisions of this act.

23 NEW SECTION. Section 10. Codification instruction.  
 24 Section 1 is intended to be codified as an integral part of  
 25 Title 39, chapter 51, and the provisions of Title 39,

1 chapter 51, apply to section 1.

2 NEW SECTION. Section 11. Applicability. Sections 1  
3 through 5 apply retroactively, within the meaning of  
4 1-2-109, to January 1, 1985.

5 NEW SECTION. Section 12. Effective dates --  
6 termination. (1) Sections 1 through 5, 9, 11, and this  
7 section are effective on passage and approval.

8 (2) Sections 6 through 8 are effective July 1, 1985.

9 (3) Section 1 terminates on July 1, 1987.

-End-