

1 SB188
2 182129-1
3 By Senators Orr, Bussman, Allen, Sanford, Chambliss and
4 Pittman
5 RFD: Fiscal Responsibility and Economic Development
6 First Read: 14-FEB-17

SYNOPSIS: Under existing law, the maximum amount of benefits payable to an individual in a benefit year is the lesser of 26 times his or her weekly benefit amount and one-third of the wages paid to the individual for insured work during a base period.

This bill would revise the maximum amount of benefits payable to an individual in a benefit year to be the lesser of 14 or 20 times his or her weekly benefit amount and one-fourth of the wages paid to the individual for insured work during a base period dependent upon the state's average unemployment rate.

This bill would revise the maximum weekly benefit amount to an amount that is an equal division of the current weeks compensated of the average of the wages for insured work paid to the individual during the two quarters of his or her base period in which the total wages were the highest.

1 A BILL
2 TO BE ENTITLED
3 AN ACT
4

5 To amend Sections 25-4-72 and 25-4-74, Code of
6 Alabama 1975, to change the maximum amount of benefits payable
7 to the lesser of 14 or 20 times his or her weekly benefit
8 amount and one-fourth of the wages paid to the individual for
9 insured work during a base period dependent upon the state's
10 average unemployment rate; and to change the maximum weekly
11 benefit amount to an amount that is an equal division of the
12 current weeks compensated of the average of the wages for
13 insured work paid to the individual during the two quarters of
14 his or her base period in which the total wages were the
15 highest.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17 Section 1. Sections 25-4-72 and 25-4-74, Code of
18 Alabama 1975, is amended to read as follows:

19 "§25-4-72.

20 "(a) For weeks of unemployment during benefit years
21 which begin before the effective date of subsection (b) of
22 this section, an individual's weekly benefit amount shall be
23 as prescribed by this section as amended through July 6, 1997.

24 "(b) For weeks of unemployment during benefit years
25 beginning on or after July 2, 2006, an individual's weekly
26 benefit amount shall be an amount ~~equal to one twenty-sixth of~~
27 ~~the average~~ based on an equal division of the current weeks

1 compensated of the wages for insured work paid to the
2 individual during the two quarters of his or her base period
3 in which the total wages were the highest; except, that:

4 "(1) If the amount thus derived is not a multiple of
5 one dollar (\$1), fractional parts of one dollar (\$1) in excess
6 of fifty cents (\$.50) shall be rounded to the next higher
7 multiple of one dollar (\$1) and fractional parts of one dollar
8 (\$1) which are fifty cents (\$.50) or less shall be dropped to
9 the next lower multiple of one dollar (\$1).

10 "(2) If the amount derived before the application of
11 subdivision (1) of this subsection is not in excess of
12 forty-four dollars fifty cents (\$44.50), there shall be no
13 weekly benefit amount.

14 "(3) Effective with benefit years beginning on or
15 after July 6, 2008, if the amount thus derived is more than
16 two hundred fifty-four dollars fifty cents (\$254.50), the
17 weekly maximum benefit amount shall be two hundred fifty-five
18 dollars (\$255).

19 "(4) Effective with benefit years beginning on or
20 after July 5, 2009, if the amount thus derived is more than
21 two hundred sixty-four dollars fifty cents (\$264.50), the
22 weekly maximum benefit shall be two hundred sixty-five dollars
23 (\$265).

24 "(c) If, as a condition for approval of this section
25 for full tax credit against the tax imposed by the federal
26 Unemployment Tax Act, federal law should require a greater
27 maximum weekly benefit amount than that provided herein, then

1 the maximum weekly benefit amount shall be the minimum
2 required by any such federal law for such approval.

3 "(d) Nothing herein shall serve to deprive any
4 individual of any benefit for which he or she had qualified in
5 any benefit year beginning prior to the effective date of the
6 provisions of subsection (b) of this section.

7 "(e) There is hereby appropriated out of funds made
8 available to this state under Section 903 of the Social
9 Security Act, as amended by Title II, Section 209, "Special
10 Reed Act Transfer in Fiscal Year 2002," of the "Temporary
11 Extended Unemployment Compensation Act of 2002," as contained
12 in the "Job Creation and Worker Assistance Act of 2002," an
13 amount not to exceed 15 percent of the funds, or so much
14 thereof to be used as may be necessary, under the direction of
15 the State of Alabama, Department of Labor, for the expenses
16 incurred for the administration of this state's unemployment
17 compensation law and public employment offices.
18 Notwithstanding the foregoing, the additional amount of up to
19 \$7,940,119 of "Reed Act" funds may be withdrawn from the
20 Unemployment Compensation Trust Fund and used for
21 administrative purposes from May 29, 2008, until September 30,
22 2009. Furthermore, whatever amount is withdrawn during this
23 time period, that amount shall not change the Employer Tax
24 Schedules pursuant to Section 25-4-54 for the calendar year
25 beginning January 1, 2010.

26 "§25-4-74.

1 "(a) Any otherwise eligible individual shall be
2 entitled during any benefit year, beginning on or after July
3 3, 1983, to a total amount of benefits equal to whichever is
4 the lesser of ~~26~~ 14 times his or her weekly benefit amount, if
5 the state's average unemployment rate is at or below 6.5
6 percent, with an additional weekly benefit amount added for
7 each 0.5 percent increase in the state's average unemployment
8 rate above 6.5 percent up to a maximum of 20 times his or her
9 weekly benefit amount if the state's average unemployment rate
10 equals or exceeds nine percent, and ~~one-third~~ one-fourth of
11 the wages paid to him or her for insured work during his or
12 her base period; provided, that such total amounts of
13 benefits, if not a multiple of \$1.00, shall be computed to the
14 nearest multiple of \$1.00.

15 "(b) For the purpose of this article, wages shall be
16 counted as "wages for insured work" with respect to any
17 benefit year only if ~~such~~ the wages were paid in the base
18 period immediately preceding ~~such~~ the benefit year; except,
19 that any lump sum payment of wages in lieu of notice,
20 dismissal, or severance allowance or "back pay" award shall be
21 prorated over the period or periods with respect to which ~~such~~
22 the payment is made and treated as though it had been paid in
23 ~~such~~ the period or periods.

24 "(c) In determining an individual's benefit rights,
25 remuneration payable but unpaid to ~~such~~ the individual shall,
26 to the extent that regulations promulgated by the secretary

1 prescribe, be deemed to be "wages paid" to ~~such~~ the
2 individual.

3 "(d) As used in this section, the term "state's
4 average unemployment rate" means the average of the three
5 months for the most recent third calendar quarter of the
6 seasonably adjusted statewide unemployment rate as published
7 by the Alabama Department of Labor.

8 "~~(b)~~ (e) For benefit years beginning prior to July
9 3, 1983, any otherwise eligible individual shall be entitled
10 to a total amount of benefits as was provided in this section
11 prior to ~~such~~ that date."

12 Section 2. This act shall become effective on
13 January 1, 2018, following its passage and approval by the
14 Governor, or its otherwise becoming law.