Memorandum

To: The Honorable Steven M. Costantino
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney
Executive Director/State Budget Officer

Date: May 21, 2010

Subject: Amendments to FY 2011 Appropriations Act (10-H-7397)

The Governor requests two new articles be added to the FY 2011 Appropriations Act (H-7397) entitled “Relating to Employment Security – UI Loan - Interest” and “Relating to Employment Security – Taxes and Benefits”. The first article would increase the Job Development Assessment from 0.21% to 0.51% to provide additional resources to pay the principal and/or interest due on Title XII loans received from the federal government that were used to pay unemployment insurance benefits.

The second article would make various changes to unemployment insurance benefit provisions, including changing the taxable wage base calculation for employers, freezing the minimum weekly benefit amount, changing the weekly benefit amount calculation, reducing the percentage of an individual’s total wages replaced; delaying the receipt of unemployment benefits by those who receive severance pay, lowering the maximum dependents’ benefit and raising the earnings requirement to overcome disqualification issues.

If you have any questions regarding these new articles, please feel free to call Sandra Powell at 462-8869.

TAM:sm 10-39
Attachments
cc: Representative Robert A. Watson
Senator Dennis L. Algiere
Sharon Reynolds Ferland
Peter Marino
Tim Costa
Michael Cronan
ARTICLE X

RELATING TO EMPLOYMENT SECURITY – UI LOAN INTEREST

SECTION 1. Sections 28-43-8 and 28-43-8.5 of the General Laws in Chapter 28-43 entitled “Employment Security – Contributions” are hereby amended to read as follows:

§ 28-43-8 Experience rates – Tables. – (a)(1) Whenever, as of September 30, 1987, or any subsequent computation date, the amount in the employment security fund available for benefits is six and four tenths percent (6.4%) or more of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately following calendar year shall be determined in accordance with schedule A in this subsection.

(2) Whenever, as of September 30, 1987, or any subsequent computation date, the amount in the employment security fund available for benefits is six and one-tenth percent (6.1%) but less than six and four-tenths (6.4%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately following calendar year shall be determined in accordance with schedule B in this subsection.

(3) Whenever, as of September 30, 1987, or any subsequent computation date the amount in the employment security fund available for benefits is five and eight-tenths percent (5.8%) but less than six and one-tenth (6.1%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately following calendar year shall be determined in accordance with schedule C in this subsection.

(4) Whenever, as of September 30, 1987, or any subsequent computation date the amount in the employment security fund available for benefits is five and three-tenths percent (5.3%) but less than five and eight-tenths (5.8%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible employer for the immediately following calendar year shall be determined in accordance with schedule D in this subsection.

(5) Whenever, as of September 30, 1987, or any subsequent computation date the amount in the employment security fund available for benefits is four and seven-tenths percent (4.7%) but less than five and three-tenths (5.3%) of total payrolls as determined in § 28-43-1(9), an experience rate for
each eligible employer for the immediately following calendar year shall be determined in accordance
with schedule E in this subsection.

(6) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
the employment security fund available for benefits is three and six-tenths percent (3.6%) but less than
four and seven-tenths (4.7%) of total payrolls as determined in § 28-43-1(9), an experience rate for
each eligible employer for the immediately following calendar year shall be determined in accordance
with schedule F in this subsection.

(7) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
the employment security fund available for benefits is three percent (3%) but less than three and six-
tenths (3.6%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible
employer for the immediately following calendar year shall be determined in accordance with
schedule G in this subsection.

(8) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
the employment security fund available for benefits is two and seventy five hundredths percent
(2.75%) but less than 3 percent (3%) of total payrolls as determined in § 28-43-1(9), an experience rate
for each eligible employer for the immediately following calendar year shall be determined in
accordance with schedule H in this subsection.

(9) Whenever, as of September 30, 1987, or any subsequent computation date the amount in
the employment security fund available for benefits is less than two and seventy five hundredths
percent (2.75%) of total payrolls as determined in § 28-43-1(9), an experience rate for each eligible
employer for the immediately following calendar year shall be determined in accordance with
schedule I in this subsection.

(10) Whenever the amount in the employment security fund available for benefits, net of
obligations owed to the federal government, is less than zero at the end of the second month in any
calendar quarter, every employer subject to the contribution provisions of this chapter shall be required
to pay a surtax of three-tenths of one percent (.3%) of the individual employer’s taxable wages for the
calendar quarter, in addition to any other contribution which the employer is required to make under
(4) To provide for job training, counseling and assessment services, and other related activities and services. Services will include but are not limited to research, development, coordination, and training activities to promote workforce development and business development as established by the human resource investment council;

(5) To support the state's job training for economic development; and

(ii) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the twenty-one hundredths of one percent (0.21%) job development assessment paid pursuant to § 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and employment services programs operated by the department of labor and training; and

(ii) Beginning January 1, 2011, two hundredths of one percent (0.02%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and employment services programs operated by the department of labor and training; and

(7) Beginning January 1, 2011, three tenths of one percent (0.3%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43-8.5 shall be used solely to pay the principal and/or interest due on Title XII advances received from the federal government in accordance with the provisions of Section 1201 of the Social Security Act; provided, however, that if the federal Title XII loans are repaid through a state revenue bond or other financing mechanism, then these funds may also be used to pay the principal and/or interest that accrues on that debt.

(b) The general treasurer shall pay all vouchers duly drawn by the council upon the fund, in any amounts and in any manner that the council may prescribe. Vouchers so drawn upon the fund shall be referred to the controller within the department of administration. Upon receipt of those vouchers, the controller shall immediately record and sign them and shall promptly transfer those signed vouchers to the general treasurer. Those expenditures shall be used solely for the purposes specified in this section and its balance shall not lapse at any time but shall remain continuously available for expenditures consistent with this section. The general assembly shall annually appropriate the funds
contained in the fund for the use of the human resource investment council and, in addition, for the use of the department of labor and training effective July 1, 2000, and for the payment of the principal and interest due on federal Title XII loans beginning July 1, 2011; provided, however, that if the federal Title XII loans are repaid through a state revenue bond or other financing mechanism, then the funds may also be used to pay the principal and/or interest that accrues on that debt.

SECTION 3. Section 35-4-27 of the General Laws in Chapter 35-4 entitled “State Funds” is hereby amended to read as follows:

§ 35-4-27 Indirect cost recoveries on restricted receipt accounts. — Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt accounts, to be recorded as general revenues in the general fund. However, there shall be no transfer from cash receipts with restrictions received exclusively: (1) from contributions from non-profit charitable organizations; (2) from the assessment of indirect cost recovery rates on federal grant funds; or (3) through transfers from state agencies to the department of administration for the payment of debt service; or (4) from that portion of contributions paid by employers under §28-43-8.5 solely dedicated to repay the principal and/or interest on Title XII loans received from the federal government in accordance with the provisions of Section 1201 of the Social Security Act or to retire debt on other financing mechanisms incurred to repay those federal loans. These indirect cost recoveries shall be applied to all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The following restricted receipt accounts shall not be subject to the provisions of this section:

Department of Human Services
Veterans' home – Restricted account
Veterans' home – Resident benefits
Organ transplant fund
Veteran's Cemetery Memorial Fund
Department of Health
Pandemic medications and equipment account
Department of Mental Health, Retardation and Hospitals
1     Hospital Medicare Part D Receipts
2     RICLAS Group Home Operations
3     Department of Environmental Management
4     National heritage revolving fund
5     Environmental response fund II
6     Underground storage tanks
7     Rhode Island Council on the Arts
8     Art for public facilities fund
9     Rhode Island Historical Preservation and Heritage Commission
10    Historic preservation revolving loan fund
11    Historic Preservation loan fund – Interest revenue
12    State Police
13    Forfeited property – Retained
14    Forfeitures – Federal
15    Forfeited property – Gambling
16    Donation – Polygraph and Law Enforcement Training
17    Attorney General
18    Forfeiture of property
19    Federal forfeitures
20    Attorney General multi-state account
21    Department of Administration
22    Restore and replacement – Insurance coverage
23    Convention Center Authority rental payments
24    Investment Receipts – TANS
25    Car Rental Tax/Surcharges-Warwick Share
26    OPEB System Restricted Receipt Account
27    Legislature
Audit of federal assisted programs
Department of Elderly Affairs
Pharmaceutical Rebates Account
Department of Children Youth and Families
Children's Trust Accounts – SSI
Military Staff
RI Military Family Relief Fund
Treasury
Admin. Expenses – State Retirement System
Retirement – Treasury Investment Options
Business Regulation
Banking Division Reimbursement Account
Office of the Health Insurance Commissioner Reimbursement Account
Securities Division Reimbursement Account
Commercial Licensing and Racing and Athletics Division Reimbursement Account
Insurance Division Reimbursement Account
Historic Preservation Tax Credit Account.
Judiciary
Arbitration Fund Restricted Receipt Account

SECTION 4. This article shall take effect as of July 1, 2010.
EXPLANATION OF ARTICLE X

RELATING TO EMPLOYMENT SECURITY – UI LOAN INTEREST

This act would increase the Job Development Assessment from 0.21% to 0.51%
beginning January 1, 2011. The Rhode Island Human Resource Investment Council will continue
to use the original 0.19% to support its projects and programs while 0.02% will continue to be
used by the Rhode Island Department of Labor and Training to support necessary core services in
the Unemployment Insurance and Employment Services programs. The additional 0.3% will be
used solely to pay the principal and/or interest due on Title XII loans received from the federal
government under the Social Security Act that were used to pay Unemployment Insurance
benefits or to pay the principal and/or interest that accrues on any state revenue bond or other
financing mechanism that was used to repay the federal Title XII loans. In addition, the additional
employer contributions paid into the job Development fund for the repayment of the UI interes:
and/or principal shall be exempt from the State 10% Indirect Cost Recovery assessment.

This act shall take effect as of July 1, 2010.
ARTICLE X

RELATING TO EMPLOYMENT SECURITY – TAXES AND BENEFITS

SECTION 1. Section 28-43-7 of the General Laws in Chapter 28-43 entitled "Employment Security – Contributions" is hereby amended to read as follows:

§ 28-43-7 Taxable wage base. – (a)(1) The taxable wage base under this chapter for the tax year beginning January 1, 1999, and all subsequent tax years ending with tax year 2010 shall be:

(1) Twelve thousand dollars ($12,000) if the amount of the employment security fund, not including any federal disbursements made to the states pursuant to 42 U.S.C. § 1103, is more than two hundred twenty-five million dollars ($225,000,000);

(2) Fourteen thousand dollars ($14,000) if the amount of the employment security fund is more than one hundred seventy-five million dollars ($175,000,000) but less than or equal to two hundred twenty-five million dollars ($225,000,000);

(3) Sixteen thousand dollars ($16,000) if the amount of the employment security fund is more than one hundred twenty-five million dollars ($125,000,000) but less than or equal to one hundred seventy-five million dollars ($175,000,000);

(4) Eighteen thousand dollars ($18,000) if the amount of the employment security fund is less or equal to than one hundred twenty-five million dollars ($125,000,000) but more than seventy-five million dollars ($75,000,000); or

(5) Nineteen thousand dollars ($19,000) if the amount of the employment security fund is less than or equal to seventy-five million ($75,000,000).

(b) The taxable wage base shall be determined by the amount of the employment security fund on September 30th of each calendar year and that taxable wage base shall be effective for the tax year immediately following the determination date. The taxable wage base under this chapter for the tax year beginning January 1, 2011, shall be equal to the higher of $19,000 or forty-six percent (46%) of the average annual wage in covered employment during the calendar
year immediately preceding the computation date for the effective tax year; the computed figure,
if not an even multiple of two hundred dollars ($200), shall be rounded upward to the next higher
even multiple of two hundred dollars ($200). That taxable wage base shall be computed as
follows: On September 30, 2010, the total annual wages paid to individuals in covered
employment for the preceding calendar year by all employers who are required to pay
collections under the provisions of chapters 42 – 44 of this title, shall be divided by the
monthly average number of individuals in covered employment during the preceding calendar
year, and the quotient shall be multiplied by forty-six hundredths (.46). If the result thus obtained
is not an even multiple of two hundred dollars ($200), it shall be rounded upward to the next
higher even multiple of two hundred dollars ($200). That taxable wage base shall be effective for
the tax year immediately following the computation date.

(c) The taxable wage base under this chapter for the tax year beginning January 1, 2012,
shall be equal to forty-seven percent (47%) of the average annual wage in covered employment
during the calendar year immediately preceding the computation date for the effective tax year;
the computed figure shall be rounded upward to the next higher even multiple of two hundred
dollars ($200). That taxable wage base shall be computed as follows: On September 30, 2011, the
total annual wages paid to individuals in covered employment for the preceding calendar year by
all employers who are required to pay contributions under the provisions of chapters 42 – 44 of
this title, shall be divided by the monthly average number of individuals in covered employment
during the preceding calendar year, and the quotient shall be multiplied by forty-seven hundredths
(.47). If the result thus obtained is not an even multiple of two hundred dollars ($200), it shall be
rounded upward to the next higher even multiple of two hundred dollars ($200). That taxable
wage base shall be effective for the tax year immediately following the computation date.

(d) The taxable wage base under this chapter for the tax year beginning January 1, 2013,
shall be equal to forty-eight percent (48%) of the average annual wage in covered employment
during the calendar year immediately preceding the computation date for the effective tax year;
the computed figure shall be rounded upward to the next higher even multiple of two hundred
dollars ($200). That taxable wage base shall be computed as follows: On September 30, 2012, the
total annual wages paid to individuals in covered employment for the preceding calendar year by
all employers who are required to pay contributions under the provisions of chapters 42 – 44 of
this title, shall be divided by the monthly average number of individuals in covered employment
during the preceding calendar year, and the quotient shall be multiplied by forty-eight hundredths
(.48). If the result thus obtained is not an even multiple of two hundred dollars ($200), it shall be
rounded upward to the next higher even multiple of two hundred dollars ($200). That taxable
wage base shall be effective for the tax year immediately following the computation date.

(e) The taxable wage base under this chapter for the tax year beginning January 1, 2014,
shall be equal to forty-nine percent (49%) of the average annual wage in covered employment
during the calendar year immediately preceding the computation date for the effective tax year;
the computed figure shall be rounded upward to the next higher even multiple of two hundred
dollars ($200). That taxable wage base shall be computed as follows: On September 30, 2013, the
total annual wages paid to individuals in covered employment for the preceding calendar year by
all employers who are required to pay contributions under the provisions of chapters 42 – 44 of
this title, shall be divided by the monthly average number of individuals in covered employment
during the preceding calendar year, and the quotient shall be multiplied by forty-nine hundredths
(.49). If the result thus obtained is not an even multiple of two hundred dollars ($200), it shall be
rounded upward to the next higher even multiple of two hundred dollars ($200). That taxable
wage base shall be effective for the tax year immediately following the computation date.

(f) The taxable wage base under this chapter for the tax year beginning January 1, 2015,
and all subsequent tax years shall be equal to fifty percent (50%) of the average annual wage in
covered employment during the calendar year immediately preceding the computation date for
the effective tax year; the computed figure shall be rounded upward to the next higher even
multiple of two hundred dollars ($200). That taxable wage base shall be computed as follows: On
September 30, 2014, and every computation date thereafter the total annual wages paid to
individuals in covered employment for the preceding calendar year by all employers who are
required to pay contributions under the provisions of chapters 42 – 44 of this title, shall be
divided by the monthly average number of individuals in covered employment during the
preceding calendar year, and the quotient shall be multiplied by fifty hundredths (.50). If the
result thus obtained is not an even multiple of two hundred dollars ($200), it shall be rounded
upward to the next higher even multiple of two hundred dollars ($200). That taxable wage base
shall be effective for the tax year immediately following the computation date.

(g) Notwithstanding the above, the taxable wage base for employers with reserve account
percentages of negative twenty-four and ninety nine hundreds (24.99) or less for the tax years
beginning January 1, 2011, and thereafter, shall be three thousand dollars ($3,000) above the
taxable wage base computed for all other employers under subsections (b) through (f) of this
section.

SECTION 2. Sections 28-44-6, 28-44-9, 28-44-17, 28-44-18, 28-44-20 and 28-44-59 of
the General Laws in Chapter 28-44 entitled “Employment Security – Benefits” are hereby
amended to read as follows:

§ 28-44-6 Weekly benefits for total unemployment – Year established – Dependents’
allowance. – (a)(1) The benefit rate payable under this chapter to any eligible individual with
respect to any week of his or her total unemployment, when that week occurs within a benefit
year, shall be, for benefit years beginning on or after October 1, 1989, four and sixty-two
hundredths percent (4.62%) of the wages paid to the individual in that calendar quarter of the
base period in which the individual’s wages were highest; January 1, 2011, three and eighty-five
hundredths percent (3.85%) of the average quarterly wage paid to the individual in the two
calendar quarters of the base period in which the individual’s wages were highest;

(2) Provided, that the benefit rate shall not be more than sixty-seven percent (67%) fifty-
seven and one half percent (57.5%) of the average weekly wage paid to individuals in
employment covered by the Employment Security Act for the preceding calendar year ending December 31 or the maximum weekly benefit rate in effect as of July 1, 2010, whichever is the highest. If the maximum weekly benefit rate is not an exact multiple of one dollar ($1.00), then the rate shall be rounded to the next lower multiple of one dollar ($1.00).

(3) The average weekly wage of individuals in covered employment shall be computed as follows: On or before May 31 of each year, the total annual wages paid to individuals in covered employment for the preceding calendar year by all employers shall be divided by the monthly average number of individuals in covered employment during that preceding calendar year, and the quotient shall be divided by fifty-two (52). That weekly benefit rates shall be effective throughout benefit years beginning on or after July 1 of that year and prior to July 1, of the succeeding calendar year.

(4) The benefit rate of any individual, if not an exact multiple of one dollar ($1.00), shall be rounded to the next lower multiple of one dollar ($1.00).

(b) An individual to whom benefits for total or partial unemployment are payable under this chapter with respect to any week shall, in addition to those benefits, be paid with respect to each week a dependents' allowance of ten dollars ($10.00) fifteen dollars ($15.00) or five percent (5%) three percent (3%) of the individual's benefit rate whichever is greater for each of that individual's children, including adopted and stepchildren, or that individual's court appointed wards who, at the beginning of the individual's benefit year, is under eighteen (18) years of age, and who is at that time in fact dependent on that individual, including individuals who have been appointed the legal guardian of such child by the appropriate court. The total dependents' allowance paid to any individual shall not exceed the greater of fifty dollars ($50) or fifteen percent (15%) of the individual's benefit rate. Notwithstanding the above, the total amount of the dependents' allowance paid to individuals receiving partial unemployment benefits for any week shall be based on the percentage that their partial weekly benefit rate is compared to their full weekly benefit rate.
(2) The dependent's allowance shall also be paid to the individual for any child, including an adopted child or a stepchild, eighteen (18) years of age or over, incapable of earning any wages because of mental or physical incapacity, and who is dependent on that individual in fact at the beginning of the individual's benefit year.

(3) In no instance shall the number of dependents for which an individual may receive dependents' allowances exceed five (5) in total.

(4) The weekly total of dependents' allowances payable to any individual, if not an exact multiple of one dollar ($1.00), shall be rounded to the next lower multiple of one dollar ($1.00).

(5) The number of an individual's dependents, and the fact of their dependency, shall be determined as of the beginning of that individual's benefit year. Only one individual shall be entitled to a dependent's allowance for the same dependent with respect to any week. As to two or more parties making claim for an allowance for the same dependent for the same week, the benefit shall be provided to the party who has actual custody of the dependent or in the case of joint custody, to the party who has physical possession of the dependent.

(6) Each individual who claims a dependent's allowance shall establish his or her claim to it to the satisfaction of the director under procedures established by the director.

(7) This subsection shall be effective for all benefit years beginning on or after July 1, 1985 January 1, 2011.

§ 28-44-9 Duration of benefits. — (a) The maximum total amount of benefits payable during a benefit year to any eligible individual whose benefit year begins on or after November 16, 1958, and prior to October 1, 1989, shall be determined in the following manner:

(i) The total number of weeks of employment in his or her base period shall be multiplied by three-fifths (3/5), and the result, if not a whole number of weeks, shall be adjusted to the next higher whole number of weeks, and

(ii) The number of weeks so obtained shall be multiplied by the individual's weekly benefit rate for total unemployment; and the result shall be the total amount of benefit credits to
which that individual is entitled during his or her benefit year. However, no individual shall be
paid total benefits in any benefit year which exceed twenty-six (26) times his or her weekly
benefit rate. Dependents' allowances to which he or she might be entitled under § 28-44-6 shall be
in addition to those total benefits.

(2) Each week of employment within an individual's base period shall be counted as one
week for the purpose of this section, regardless of the number of employers for whom an
individual performed services in employment during that week. For the purpose of this section, a
week of employment shall be any calendar week within which an individual has performed
services in employment for one or more employers subject to chapters 42—44 of this title.

(b) The total amount of benefits payable during a benefit year to any eligible individual
whose benefit year begins on or after October 1, 1989, but prior to January 1, 2011 shall be an
amount equal to thirty-six percent (36%) of the individual's total wages for employment by
employers subject to chapters 42—44 of this title during his or her base period; provided, that the
total amount of benefits payable during a benefit year to any eligible individual whose benefit
year begins on or after January 1, 2011 shall be an amount equal to thirty-three percent (33%) of
the individual's total wages for employment by employers subject to chapters 42—44 of this title
during his or her base period; provided, that no individual shall be paid total benefits in any
benefit year which exceed twenty-six (26) times his or her weekly benefit rate. Dependents'
allowances to which he or she might be entitled under § 28-44-6 shall be in addition to the total
benefits. If the total amount of benefits is not an exact multiple of one dollar ($1.00), then it shall
be rounded to the next lower multiple of one dollar ($1.00).

§ 28-44-17 Voluntary leaving without good cause. — (a) For benefit years beginning on
or after January 1, 2011, An an individual who leaves work voluntarily without good cause shall
be ineligible for waiting period credit or benefits for the week in which the voluntary quit
occurred and until he or she establishes to the satisfaction of the director that he or she has
subsequent to that leaving had at least eight (8) weeks of work, and in each of those eight (8)
weeks has had earnings of at least twenty (20) times the minimum hourly wage as defined in chapter 12 of this title greater than or equal to his or her weekly benefit rate for performing services in employment for one or more employers subject to chapters 42 – 44 of this title. For the purposes of this section, "voluntarily leaving work with good cause" shall include:

(1) sexual harassment against members of either sex;

(2) voluntarily leaving work with an employer to accompany, join or follow his or her spouse to a place, due to a change in location of the spouse's employment, from which it is impractical for such individual to commute; and

(3) the need to take care for a member of the individual's immediate family due to illness or disability as defined by the Secretary of Labor; provided that the individual shall not be eligible for waiting period credit or benefits until he or she is able to work and is available for work. For the purposes of this provision, the following terms apply:

(i) "immediate family member" means a spouse, parents, mother-in-law, father-in-law and children under the age of eighteen (18);

(ii) "illness" means a verified illness which necessitates the care of the ill person for a period of time longer than the employer is willing to grant leave, paid or otherwise; and

(iii) "disability" means all types of verified disabilities, including mental and physical disabilities, permanent and temporary disabilities, and partial and total disabilities.

(b) For the purposes of this section, "voluntarily leaving work without good cause" shall include voluntarily leaving work with an employer to accompany, join or follow his or her spouse in a new locality in connection with the retirement of his or her spouse, or failure by a temporary employee to contact the temporary help agency upon completion of the most recent work assignment to seek additional work unless good cause is shown for that failure; provided, that the temporary help agency gave written notice to the individual that the individual is required to contact the temporary help agency at the completion of the most recent work assignment to seek additional work.
§ 28-44-18 Discharge for misconduct. — For benefit years beginning on or after January 1, 2011, an individual who has been discharged for proved misconduct connected with his or her work shall become ineligible for waiting period credit or benefits for the week in which that discharge occurred and until he or she establishes to the satisfaction of the director that he or she has, subsequent to that discharge, had at least eight (8) weeks of work, and in each of that eight (8) weeks has had earnings of at least twenty (20) times the minimum hourly wage as defined in chapter 12 of this title greater than or equal to his or her weekly benefit rate for performing services in employment for one or more employers subject to chapters 42 – 44 of this title. Any individual who is required to leave his or her work pursuant to a plan, system, or program, public or private, providing for retirement, and who is otherwise eligible, shall under no circumstances be deemed to have been discharged for misconduct. If an individual is discharged and a complaint is issued by the regional office of the National Labor Relations board or the state labor relations board that an unfair labor practice has occurred in relation to the discharge, the individual shall be entitled to benefits if otherwise eligible. For the purposes of this section, "misconduct" is defined as deliberate conduct in willful disregard of the employer's interest, or a knowing violation of a reasonable and uniformly enforced rule or policy of the employer, provided that such violation is not shown to be as a result of the employee's incompetence. Notwithstanding any other provisions of chapters 42 – 44 of this title, this section shall be construed in a manner that is fair and reasonable to both the employer and the employed worker.

§ 28-44-20 Refusal of suitable work. — (a) For benefit years beginning on or after January 1, 2011, if an otherwise eligible individual fails, without good cause, either to apply for suitable work when notified by the employment office, or to accept suitable work when offered to him or her, he or she shall become ineligible for waiting period credit or benefits for the week in which that failure occurred and until he or she establishes to the satisfaction of the director that he or she has, subsequent to that failure, had at least eight (8) weeks of work and in each of those eight (8) weeks has had earnings of at least twenty (20) times the minimum hourly wage, as
defined in chapter 12 greater than or equal to his or her weekly benefit rate for performing
services in employment for one or more employers subject to chapters 42 – 44 of this title.

(b) "Suitable work" means any work for which the individual in question is reasonably
fitted, which is located within a reasonable distance of his or her residence or last place of work
and which is not detrimental to his or her health, safety, or morals. No work shall be deemed
suitable, and benefits shall not be denied under chapters 42 – 44 of this title to any otherwise
eligible individual for refusing to accept new work, under any of the following conditions:

(1) If the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) If the wages, hours, or other conditions of the work are substantially less favorable to
the employee than those prevailing for similar work in the locality;

(3) If, as a condition of being employed, the individual would be required to join a
company union or to resign from or refrain from joining any bona fide labor organization.

§ 28-44-59 Severance or dismissal pay allocation. – For benefit years beginning on or
after January 1, 2011, for the purpose of determining an individual's benefit eligibility for any
week of unemployment, any remuneration received by an employee from his or her employer in
the nature of severance or dismissal pay, whether or not the employer is legally required to pay
that remuneration, shall be deemed to be wages paid on the last day of employment for services
performed prior to that date allocated on a weekly basis from the individual's last day of work for
a period not to exceed twenty-six (26) weeks, and the individual will not be entitled to receive
benefits for any such week for which it has been determined that the individual received
severance or dismissal pay. Such severance or dismissal pay, if the employer does not specify a
set number of weeks, shall be allocated using the individual's weekly benefit rate.

SECTION 3. This article shall take effect as of July 1, 2010.
EXPLANATION OF ARTICLE X
RELATING TO EMPLOYMENT SECURITY – TAXES AND BENEFITS

This act would change the taxable wage base calculation for all employers. This act would also make several changes to unemployment insurance benefit provisions. These changes include freezing the maximum weekly benefit amount and changing the percentage used in the annual computation; changing the weekly benefit amount calculation; reduce the percentage of an individual’s total wages replaced; delaying the receipt of unemployment benefits by those who receive severance pay; lowering the maximum dependents’ benefit; and raising the earnings requirement to overcome disqualification issues.

This bill also incorporates the changes proposed to the minimum dependents’ allowance and the definition of voluntary leaving without good cause that were included in Article 27 of the FY 2011 budget for UI Modernization.

This act shall take effect as of July 1, 2010.