

DATE: April 28, 1980 (Final)

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1. <u>Branning</u>	<u>Martin</u>	1. <u>Com.</u>	<u>Fav.</u>
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____

SUBJECT:
Unemployment Compensation

BILL NO. AND SPONSOR:
SB 721 by
Senator Stuart

I. SUMMARY:

A. Present Situation:

Unemployment compensation is the means of providing temporary income to those persons who become unemployed through no fault of their own. Chapter 443, Florida Statutes, is Florida's law governing this area.

Certain types of employment are not covered by this law. Examples include, service performed by insurance agents and real estate agents when paid solely by commission, employees of a church or religious organization when operated or controlled by the church, and services by an inmate in a penal institution.

To be eligible for benefits, an employee must:

- 1) Be totally or partially unemployed;
- 2) Be able and available for work;
- 3) Be registered for and seeking work;
- 4) File an initial claim; and
- 5) Have the necessary wage credits for covered employment.

A claimant may be disqualified for benefits for a number of reasons such as:

- 1) Voluntarily quitting his job;
- 2) Being fired for misconduct connected with his work; and
- 3) Failing to accept an offer of suitable employment.

All unemployment compensation benefits are paid for by the employer. Employers are taxed based upon their taxable payrolls and their employment records. The maximum tax rate is 4.5% with the minimum rate being .1%.

Certain employers such as municipalities and nonprofit organizations may elect to become reimbursable employers; that is, they are not taxed but rather reimburse the UC Trust Fund dollar-for-dollar for benefits paid to their employees.

Chapter 443 also provides for an appeal process for both the claimant and the employer.

In addition, it provides for the law to be administered by the Division of Employment Security of the Department of Labor.

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B. Effect of Proposed Changes:

This bill would not make any substantive changes in any of provisions in the chapter. It is an attempt to reorganize the chapter into a more logical manner for easier understanding, and to delete obsolete and outdated language.

Basically, the chapter would be reorganized into the following 6 parts:

- Part I -General Provisions such as a short title and declaration of public policy
- Part II -Definitions
- Part III -Individual Benefits and Eligibility
- Part IV -Employer Coverage and Contributions
- Part V -Claims Procedures and Appeals
- Part VI -Administration

II. ECONOMIC IMPACT AND FISCAL NOTE: None

III. COMMENTS:

Although the intent of the bill was merely to reorganize and recodify the chapter, there is a substantive change on pages 46 and 47. Current law states that an employee who was terminated for a violation of any criminal law in connection with his work is disqualified from receiving benefits for up to 52 weeks. In addition, to remove the disqualification, he must become reemployed and earn at least 10 times his weekly benefit amount. This conflicts with the other provisions for removing a disqualification which provide that an employee become reemployed and earn at least 17 times his weekly benefit amount. The bill makes the change from 10 to 17 and removes the conflict which currently exists. --