

HB 1409 -- UNEMPLOYMENT COMPENSATION

SPONSOR: Fitzpatrick

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Employment Security by a vote of 7 to 5. Voted "Do Pass" by the Rules- Administrative Oversight Committee by a vote of 9 to 5.

This bill changes the laws regarding unemployment compensation. Currently, the maximum total amount of benefits any insured worker may receive during any benefit year must not exceed 20 times his or her weekly benefit amount or 33 1/3% of his or her wage credits. This bill repeals that provision and, beginning January 1, 2019, limits benefits based upon a sliding scale from 13 weeks if the Missouri average unemployment rate is below 6%, to 20 weeks if the Missouri average unemployment rate is 9% or higher.

The bill specifies the meaning of "Missouri average unemployment rate" is based upon the seasonally adjusted statewide unemployment rates, and revises the definition of "wages" as it applies to employment security laws to include termination pay and severance pay. Any lump sum payment of wages from severance pay must be prorated for the purposes of determining unemployment benefits.

The bill specifies that for 60 days from the effective date of the bill an employer may file a timely appeal for recovery of overpayments for the last five years due to the erroneous experience rating.

The bill raises the amount required in the Unemployment Compensation Fund before an employer's contribution rate is decreased. The bill also modifies the procedures for the Board of Unemployment Fund Financing to meet and consider the issuance of credit instruments to repay federal advances to the fund, and modifies the time employers shall pay the interest assessment on credit instruments.

This bill is similar to HB 288 (2017).

PROPOSERS: Supporters say that this bill indexes the number of weeks of unemployment benefits to the unemployment rate, and this will correct a problem of the state needing to borrow from the federal government to cover its unemployment compensation obligations. The average unemployment period in Missouri is 12.1 weeks; therefore, a 13-week benefit period is sufficient.

Testifying for the bill were Representative Fitzpatrick; NFIB; Missouri Retailers Association; Missouri Grocers Association; Missouri Chamber of Commerce and Industry; and Associated

Industries of Missouri.

OPPONENTS: Those who oppose the bill say that 13 weeks of unemployment is too short of a benefit period, and that the bill fails to account for recurring periods of unemployment for certain trades due to weather or other exigent circumstances.

Testifying against the bill were United Steel Workers and Missouri AFL-CIO.