

2001 DRAFTING REQUEST

Bill

Received: **01/11/2002**

Received By: **kuesejt**

Wanted: **Soon**

Identical to LRB:

For: **Workforce Development 6-6684**

By/Representing: **Michelle Kho**

This file may be shown to any legislator: **NO**

Drafter: **kuesejt**

May Contact:

Addl. Drafters:

Subject: **Unemployment Compensation**

Extra Copies:

Submit via email: **YES**

Requester's email: **michelle.kho@dwd.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Temporary supplemental benefits

Instructions:

Per attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kuesejt 01/14/2002	gilfokm 01/14/2002		_____			State
/1			haugeca 01/14/2002	_____	lrb_docadmin 01/14/2002		State
				_____	lrb_docadmin 01/14/2002		

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/2	kuesejt 01/16/2002	gilfokm 01/17/2002	kfollet 01/17/2002	_____	lrb_docadmin 01/17/2002		State
/3	kucscjt 01/18/2002	gilfokm 01/18/2002	jfrantze 01/18/2002	_____	lrb_docadmin 01/18/2002		State
/4	kucscjt 01/18/2002	gilfokm 01/18/2002	kfollet 01/18/2002	_____	lrb_docadmin 01/18/2002	lrb_docadmin 01/18/2002	

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<END>

→ At Intro,

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				_____	lrb_docadmin 01/14/2002		

2/1/8 *[Signature]*
2/18

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1?	kuesejt 01/14/2002	gilfokm 01/14/2002		_____			State
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	<i>12-1/16</i> <i>km</i>		<i>181</i> <i>1/17</i>	<i>181</i> <i>1/17</i>	lrb_docadmin 01/14/2002		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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1?/1	kuesejt	1/14/1-1/14 KMG	CH 1-14-02	CH 1-14-02 pk			

FE Sent For:

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TEMPORARY SUPPLEMENTAL BENEFITS

Revised 1/11/01

CRITERIA	DWD RECOMMENDATION Council Agreed Upon
On Indicator	<ul style="list-style-type: none"> • Date Certain (3/4/2002) • Earlier than 3/4/2002 - If Possible
Off Indicator	<ul style="list-style-type: none"> • Date Certain (12/28/2002) • Federal Benefits
Eligibility Period	<ul style="list-style-type: none"> • Benefit Year Beginning 3/11/2001 and Later
Eligibility Requirements	<ul style="list-style-type: none"> • Exhaust Regular UI <u>and Not Eligible for Another Benefit Year</u> Benefit Year in TSB Period • If Qualified for TSB But Not Federal Benefits, TSB Pays or if TSB is More Beneficial Than Federal Benefits, TSB Pays (See next page under "Additional:") • <u>Not entitled to benefits in another State</u>
Duration of Period	<ul style="list-style-type: none"> • Date Certain (12/28/2002) • Federal Benefits
Weekly Benefit Amount	Same as Regular Benefit Rate (<u>Last WBR Paid</u>)
Maximum Benefit Amount	<ul style="list-style-type: none"> • Lesser of <ul style="list-style-type: none"> ✓ 8 X Regular Benefit Rate ✓ 50% of Regular Benefits <i>whichever is less</i>
Charging of Benefit	Noncharge
Set Aside WSB	Yes
Cost Estimate	\$100 to \$120M
Number of Potential Eligibles	Universe of 95,000
Reed Act Distribution/Tax Impact	<ul style="list-style-type: none"> • Credit Any 2002 Reed Act Distribution to the Fund <u>Retroactive to 6/30/2002 to be used only for payment of benefits</u> • Eliminate Schedule C Trigger From 6/30/2002 • No Change in Tax Schedule for 2003

Additional:

- After effective date, the bill must suspend WSB
- Include that "the effect of other provisions in this chapter" provision from WSB
- X - Add provision stating that If a claimant exhausts fed. program eligibility and if the fed. benefits equal or exceed TSB, then the claimant is no longer eligible for TSB

Dir/TSB

Kuesel, Jeffery

From: Kho, Michelle
Sent: Friday, January 11, 2002 2:25 PM
To: Kuesel, Jeffery
Cc: Frigo, Greg; Smith, Thomas E - DWD UI
Subject: Technical Change in UI TSB Bill

In § 72 of Act 35, in (1)(b), change the two references to § 108.04(7) to §108.05(7).

We are incorrectly referencing our "quit" provision, rather than our pension provision. Thanks.

2001

Date (time) needed

MON 4/14 - PM

LRB - 4679, 1

JK :KMG:

BILL

Use the appropriate components and routines developed for bills.

AN ACT . . . [generate catalog] to repeal . . . ; to renumber . . . ; to consolidate and renumber . . . ; to renumber and amend . . . ; to consolidate, renumber and amend . . . ; to amend . . . ; to repeal and recreate . . . ; and to create . . . of the statutes; relating to: temporary supplemental unemployment insurance benefits and certain other changes to the unemployment insurance law.

[NOTE: See section 4.02 (2) (br), Drafting Manual, for specific order of standard phrases.]

Analysis by the Legislative Reference Bureau

If titles are needed in the analysis, in the component bar:

For the main heading, execute: create -> anal: -> title: -> head

For the subheading, execute: create -> anal: -> title: -> sub

For the sub-subheading, execute: create -> anal: -> title: -> sub-sub

For the analysis text, in the component bar:

For the text paragraph, execute: create -> anal: -> text

attached

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION #.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4679/lins2
JTK.....

analysis

Currently, under a state program, "Wisconsin supplemental benefits" are provided to certain unemployment insurance claimants who would otherwise not be eligible to receive more than 26 weeks of benefits in a benefit year (period during which a claimant's benefits are payable). Under this program, a claimant may potentially receive up to a total of 34 weeks of benefits in a benefit year. Wisconsin supplemental benefits are payable only during a Wisconsin supplemental benefit period, which occurs when this state's rate of insured unemployment reaches a specified level. Also currently, under a federal program, "extended benefits" are provided to certain claimants who would otherwise not be eligible to receive more than 26 or 34 weeks of benefits in a benefit year. Under this program, a claimant may potentially receive up to a total of 39 weeks of benefits in a benefit year. Extended benefits are payable only in an extended benefit period, which occurs when the rate of insured unemployment in the United States or in this state reaches a specified level, which is generally higher than the level required for a Wisconsin supplemental benefit period to occur. The cost of Wisconsin supplemental benefits is funded entirely by employers in this state. Fifty percent of the cost of extended benefits is funded by federal taxes paid by employers and ~~fifty percent~~ of the cost of extended benefits is paid by employers in this state. If an employer is subject to a requirement to pay regular contributions (taxes), which is applicable to most employers except public, nonprofit, and Indian tribal employers, any costs of Wisconsin supplemental or extended benefits are charged to the individual accounts of the employer or employers of the claimants. If an employer is not subject to a contribution requirement, these costs are charged directly to that employer.

an
50%

This bill creates a new type of benefits called "temporary supplemental benefits" which are payable to certain claimants who are partially or totally unemployed during the period beginning on March 11, 2001, and ending on December 28, 2002. To be eligible to receive temporary supplemental benefits, a claimant must be partially or totally unemployed at the time that the benefits are claimed, must have exhausted the regular benefits that were payable to the claimant, and must meet other requirements generally imposed upon claimants for regular benefits. Under the bill, temporary supplemental benefits are potentially payable for up to ~~eight~~ weeks of unemployment, but may not exceed, in total amount, 50% of the total regular benefits that were paid to a claimant during his or her most recent benefit year. The cost of temporary supplemental benefits is paid by employers in this state. However, the bill provides that if an employer is subject to a contribution requirement, the cost is not chargeable to the employer's individual account but is instead chargeable to the balancing account of the unemployment reserve fund, which is supported by all employers that are subject to a contribution requirement. If an employer is not subject to a contribution requirement, this cost is charged directly to the employer or employers of the claimants.

eight

The bill also provides that Wisconsin supplemental benefits are not payable to any claimant before January 19, 2003. In addition, the bill provides that temporary supplemental benefits are not payable to any claimant for any week in which they

would otherwise be payable if the claimant receives extended benefits or other unemployment assistance funded in whole or in part by the federal government for that week or for any other week during the time period that the claimant would otherwise qualify to receive temporary supplemental benefits.

Currently, contributions are payable by employers under four schedules which establish contribution rates based on an employer's claims (layoff) experience. The schedule that applies for a given year depends on the cash balance in the unemployment reserve fund on June 30 of the preceding year, with higher rates in effect when the balance in the fund is lower. This bill prohibits any change in the contribution schedules from taking effect for the 2003 calendar year regardless of the balance in the unemployment reserve fund on June 30, 2002.

The bill also precludes the council on unemployment insurance from recommending to the legislature any reallocation of certain federal financial assistance provided to this state for any purpose other than benefit payments in the 2002 calendar year. In addition, the bill modifies current law to limit the exemption of social security payments from any required offset against unemployment insurance benefit payments to those social security payments that are based in whole or in part on taxes paid by the claimant.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4679/lins
JTK.....

SECTION 1. 20.445 (1) (nc) of the statutes is amended to read:

20.445 (1) (nc) *Unemployment insurance administration; special federal moneys.* All moneys received from the federal government under section 903 (a) (3) of the federal Social Security Act, as amended, as authorized by the governor under s. 16.54, for federal fiscal years 2000, 2001, and 2002, to be used for administration of unemployment insurance.

History: 1971 c. 125 ss. 156, 522 (1); 1971 c. 211, 215; 1971 c. 228 s. 44; 1971 c. 259; 1973 c. 90, 180, 243, 333; 1975 c. 39, 147, 224, 274, 344; 1975 c. 404 ss. 3, 10 (1); 1975 c. 405 ss. 3, 11 (1); 1977 c. 29, 48, 203, 418; 1979 c. 34 ss. 512 to 522, 2102 (25) (a); 1979 c. 189, 221, 309; 1979 c. 329 s. 25 (1); 1979 c. 350 ss. 3, 27 (6); 1979 c. 353, 355; 1981 c. 20, 36, 92, 93, 317, 325, 364; 1983 a. 8; 1983 a. 27 ss. 411 to 425; 1983 a. 98 ss. 1, 31; 1983 a. 192, 384, 388, 410; 1985 a. 17, 29, 153, 313, 332; 1987 a. 27; 1987 a. 38 ss. 2 to 4, 136; 1987 a. 399, 403; 1989 a. 31, 44, 64, 77, 254, 284, 359; 1991 a. 39 ss. 372c, 545r, 545t, 545v, 547, 548, 548g, 548m, 549, 549b, 549g, 549p; 1991 a. 85, 89, 269, 315; 1993 a. 16, 126, 243, 437, 491; 1995 a. 27 ss. 772mm, 772mn, 776p to 778b, 778L, 778n, 778q, 778v, 778z to 780m, 781m to 782p, 782u, 841, 842, 849, 850, 854, 855, 858c, 873 to 876, 878, 880, 890 to 896, 962 to 1014c, 9126 (19), 9130 (4); 1995 a. 113 s. 2t; 1995 a. 117, 201, 216, 225, 289; 1995 a. 404 ss. 4, 6 to 8, 10 to 17; 1997 a. 3; 1997 a. 27 ss. 610 to 642m, 722; 1997 a. 35, 38, 39, 105, 112, 191, 235, 236, 237, 252; 1999 a. 9 ss. 270, 458 to 478; 1999 a. 15, 32; 2001 a. 16.

SECTION 2. 108.05 (7) (a) 1. of the statutes, as affected by 2001 Wisconsin Act

35, is amended to read:

108.05 (7) (a) 1. "Pension payment" means a pension, retirement, annuity, or other similar payment made to a claimant, based on the previous work of that claimant, whether or not payable on a periodic basis, from a governmental or other retirement system maintained or contributed to by an employer from which that claimant has base period wages, other than a payment received under the federal Social Security Act (42 USC 301 et seq.) that is based in whole or in part upon taxes paid by the claimant.

History: 1971 c. 53; 1973 c. 247; 1975 c. 343; 1977 c. 29; 1979 c. 52; 1981 c. 28, 36; 1983 a. 8, 168, 384; 1985 a. 17, 40; 1987 a. 38 ss. 60 to 66, 136; 1987 a. 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15, 56, 185, 186.

SECTION 3. 108.06 (1) of the statutes is amended to read:

108.06 (1) Except as provided in sub. (6) and ss. 108.141 and, 108.142, and 108.143, no claimant may receive total benefits based on employment in a base period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1) or 40% of the claimant's base period wages, whichever is lower. Except as provided in sub. (6) and ss. 108.141 and, 108.142, and 108.143, if a claimant's base period wages

Proposed
WA 35

are reduced or canceled under s. 108.04 (5), (7), (8) (a) or (18), or suspended under s. 108.04 (1) (f), (10) (a) or (17), the claimant may not receive total benefits based on employment in a base period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1) or 40% of the base period wages not reduced, canceled or suspended which were paid or payable to the claimant, whichever is lower.

History: 1971 c. 53; 1975 c. 343; 1981 c. 36; 1983 a. 8 ss. 23 to 27, 53, 55 (3), (4), (12), (13) and (14) and 56; 1983 a. 27 s. 1807m; 1983 a. 337; 1985 a. 17; 1987 a. 38, 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15.

SECTION 4. 108.06 (1) of the statutes, as affected by 2001 Wisconsin Act... (this act), is amended to read:

"K4"

Keep
Aspen

108.06 (1) Except as provided in sub. (6) and ss. 108.141, and 108.142, and 108.143, no claimant may receive total benefits based on employment in a base period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1) or 40% of the claimant's base period wages, whichever is lower. Except as provided in sub. (6) and ss. 108.141 ^{5 and} ~~and~~ 108.142 ⁵ and 108.143, if a claimant's base period wages are reduced or canceled under s. 108.04 (5), (7), (8) (a) or (18), or suspended under s. 108.04 (1) (f), (10) (a) or (17), the claimant may not receive total benefits based on employment in a base period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1) or 40% of the base period wages not reduced, canceled or suspended which were paid or payable to the claimant, whichever is lower.

History: 1971 c. 53; 1975 c. 343; 1981 c. 36; 1983 a. 8 ss. 23 to 27, 53, 55 (3), (4), (12), (13) and (14) and 56; 1983 a. 27 s. 1807m; 1983 a. 337; 1985 a. 17; 1987 a. 38, 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15.

SECTION 5. 108.06 (2) (c) of the statutes is amended to read:

108.06 (2) (c) No benefits are payable to a claimant for any week of unemployment not occurring during the claimant's benefit year except under ss. 108.141 and, 108.142, and 108.143.

History: 1971 c. 53; 1975 c. 343; 1981 c. 36; 1983 a. 8 ss. 23 to 27, 53, 55 (3), (4), (12), (13) and (14) and 56; 1983 a. 27 s. 1807m; 1983 a. 337; 1985 a. 17; 1987 a. 38, 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15.

SECTION 6. 108.06 (2) (c) of the statutes, as affected by 2001 Wisconsin

"K6"

~~Wisconsin~~

Act... (this act), is amended to read:

~~Aspen~~

108.06 (2) (c) No benefits are payable to a claimant for any week of unemployment not occurring during the claimant's benefit year except under ss. 108.141, and 108.142, and ~~108.143~~.

History: 1971 c. 53; 1975 c. 343; 1981 c. 36; 1983 a. 8 ss. 23 to 27, 53, 55 (3), (4), (12), (13) and (14) and 56; 1983 a. 27 s. 1807m; 1983 a. 337; 1985 a. 17; 1987 a. 38, 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15.

SECTION 7. 108.06 (2) (cm) of the statutes is amended to read:

108.06 (2) (cm) If an employee qualifies to receive benefits using the base period described in s. 108.02 (4) (b), the wages used to compute the employee's benefit entitlement are not available for use in any subsequent benefit computation for the same employee, except under s. 108.141 ~~or~~, 108.142, or 108.143.

History: 1971 c. 53; 1975 c. 343; 1981 c. 36; 1983 a. 8 ss. 23 to 27, 53, 55 (3), (4), (12), (13) and (14) and 56; 1983 a. 27 s. 1807m; 1983 a. 337; 1985 a. 17; 1987 a. 38, 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15.

SECTION 8. 108.06 (2) (cm) of the statutes, as affected by 2001 Wisconsin ~~Act~~

"K8"

~~2001 Wisconsin~~ Act ... (this act), is amended to read:

108.06 (2) (cm) If an employee qualifies to receive benefits using the base period described in s. 108.02 (4) (b), the wages used to compute the employee's benefit entitlement are not available for use in any subsequent benefit computation for the same employee, except under s. 108.141, or 108.142, or 108.143.

History: 1971 c. 53; 1975 c. 343; 1981 c. 36; 1983 a. 8 ss. 23 to 27, 53, 55 (3), (4), (12), (13) and (14) and 56; 1983 a. 27 s. 1807m; 1983 a. 337; 1985 a. 17; 1987 a. 38, 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15.

SECTION 9. 108.06 (6) (intro.) of the statutes is amended to read:

108.06 (6) (intro.) If a claimant has established a benefit year prior to the effective date of any increase in the maximum weekly benefit rate provided under s. 108.05 (1), the claimant has not exhausted his or her total benefit entitlement under sub. (1) for that benefit year on that effective date, and the claimant was entitled to receive the maximum weekly benefit rate under s. 108.05 (1) that was in effect prior to that effective date, the limitation on the total benefits authorized to be paid to a claimant under sub. (1) does not apply to that claimant in that benefit year. Unless s. 108.141 ~~or~~, 108.142, or 108.143 applies, the claimant's remaining

benefit entitlement in that benefit year for the period beginning on that effective date shall be computed by:

History: 1971 c. 53; 1975 c. 343; 1981 c. 36; 1983 a. 8 ss. 23 to 27, 53, 55 (3), (4), (12), (13) and (14) and 56; 1983 a. 27 s. 1807m; 1983 a. 337; 1985 a. 17; 1987 a. 38, 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15.

SECTION 10. 108.06 (6) (intro.) of the statutes, as affected by 2001 Wisconsin

~~Act 2001 Wisconsin~~ Act... (this act), is amended to read:

108.06 (6) (intro.) If a claimant has established a benefit year prior to the effective date of any increase in the maximum weekly benefit rate provided under s. 108.05 (1), the claimant has not exhausted his or her total benefit entitlement under sub. (1) for that benefit year on that effective date, and the claimant was entitled to receive the maximum weekly benefit rate under s. 108.05 (1) that was in effect prior to that effective date, the limitation on the total benefits authorized to be paid to a claimant under sub. (1) does not apply to that claimant in that benefit year. Unless s. 108.141, or 108.142, ~~or 108.143~~ applies, the claimant's remaining benefit entitlement in that benefit year for the period beginning on that effective date shall be computed by:

History: 1971 c. 53; 1975 c. 343; 1981 c. 36; 1983 a. 8 ss. 23 to 27, 53, 55 (3), (4), (12), (13) and (14) and 56; 1983 a. 27 s. 1807m; 1983 a. 337; 1985 a. 17; 1987 a. 38, 255; 1989 a. 77; 1991 a. 89; 1993 a. 373; 1995 a. 118; 1997 a. 39; 1999 a. 15.

SECTION 11. 108.142 (1e) of the statutes is created to read:

108.142 (1e) SUSPENSION. Notwithstanding sub. (1) (a), no Wisconsin supplemental benefit period is in effect for any week beginning earlier than January 19, 2003.

SECTION 12. 108.142 (1e) of the statutes, as created by 2001 Wisconsin Act... (this act), is repealed.

SECTION 13. 108.143 of the statutes is created to read:

108.143 Temporary supplemental benefits. (1) DEFINITIONS. In this section:

"K10"

"K12"

(a) "Eligibility period" means the period consisting of the weeks in an individual's benefit year that begin in a temporary supplemental benefit period and, if an individual's benefit year ends within a temporary supplemental benefit period, any week thereafter that begins in a temporary supplemental benefit period in which an individual would have remaining benefit entitlement under this section if the week ~~was~~ ^{had begun} in the individual's benefit year.

(b) "Exhaustee" means an individual who, with respect to any week of unemployment in his or her eligibility period:

1. Has received, prior to that week, in his or her benefit year which includes that week, all of the regular benefits that were available to that individual under state or federal law, including dependents' allowances, or is precluded from receiving regular benefits by reason of the law of another state which meets the requirement of 26 USC 3304 (a) ⁽⁷⁾;

2. Lacks sufficient base period wages under s. 108.04 (4) (a) or employment or other work under s. 108.04 (4) (c) to establish a benefit year under s. 108.06 subsequent to a benefit year which expired prior to that week, and in the temporary supplemental benefit period which includes that week;

3. Has no right to unemployment assistance under the railroad unemployment insurance act or other federal laws as are specified in regulations of the ~~U.S.~~ ^{Federal} department of labor, and has not received and is not applying for unemployment insurance under the laws of Canada, unless the individual is applying for that insurance and the appropriate Canadian agency finally determines that he or she is not entitled to that insurance; and

4. The individual is not entitled to receive for that week and has not received for any other week in his or her eligibility period, extended benefits under s. 108.141

✓ or other unemployment assistance funded in whole or in part by the federal government that is determined by the secretary ^{of workforce development} to serve a purpose similar to extended benefits under s. 108.141.

✓ (c) "Regular benefits" means unemployment insurance benefits payable to an individual under state law or federal law, including benefits payable to federal civilian employees and to ex-servicemen under 5 USC ch. 85, other than extended benefits under s. 108.141, federal supplemental compensation, and Wisconsin supplemental benefits under s. 108.142.

(d) "State law" means the unemployment insurance law of any state, approved by the ~~state~~ ^{federal} secretary of labor under 26 USC 3304. X

(e) "Temporary supplemental benefit period" means the period beginning on March 11, 2001, and ending on December 28, 2002.

(f) "Temporary supplemental benefits" means benefits payable to an individual under this section for weeks of unemployment in his or her eligibility period.

(2) ELIGIBILITY REQUIREMENTS FOR TEMPORARY SUPPLEMENTAL BENEFITS. An individual is eligible to receive temporary supplemental benefits for any week of unemployment in his or her eligibility period if:

(a) That week is in a temporary supplemental benefit period;

(b) The individual is an exhaustee;

(c) The individual has base period wages equaling at least 40 times the individual's most recent weekly benefit rate; and

(d) The individual is not disqualified and has satisfied those other requirements of this chapter for the payment of regular benefits.

(3) RECEIPT OF REGULAR BENEFITS. For purposes of this section, an individual is considered to have received all regular benefits that were available to the individual

in his or her benefit year which includes any week of unemployment in his or her eligibility period notwithstanding that:

(a) The individual may subsequently be determined to be entitled to additional regular benefits as a result of a pending appeal under s. 108.09 or 108.10 which were not included in the determination or decision under appeal; or

(b) The individual is precluded from receiving regular benefits by reason of a seasonal limitation in the law of another state.

(4) WEEKLY TEMPORARY SUPPLEMENTAL BENEFIT RATE. The weekly temporary supplemental benefit rate payable to a claimant for a week of total unemployment is an amount equal to the amount determined under s. 108.05 (1) for the most recent week preceding the claimant's eligibility period in which regular benefits were paid to the claimant, except that if the amount of benefits paid to the claimant for that week was not the same as for the preceding week, the temporary supplemental benefit rate payable to the claimant is the amount paid to the claimant for the preceding week.

(5) MAXIMUM TEMPORARY SUPPLEMENTAL BENEFIT ENTITLEMENT. No claimant may receive total temporary supplemental benefits greater than 8 times the claimant's temporary supplemental benefit rate under s. 108.05 (1) or 50% of the total regular benefits that were paid to the claimant during the ~~claimant's~~ most recent benefit year, whichever is lower. *claimant's*

(6) EFFECT OF OTHER PROVISIONS OF THIS CHAPTER. The provisions of this chapter which apply to claims for, or the payment of, regular benefits apply to claims for, and the payment of, temporary supplemental benefits, except when the result would be inconsistent with other provisions of this chapter.

(7) CHARGES OF BENEFITS. The department shall charge to the fund's balancing account the cost of temporary supplemental benefits paid to a claimant that are otherwise chargeable to the account of an employer that is subject to the contribution requirements of ss. 108.17 and 108.18.

SECTION 14. 108.143 of the statutes, as created by 2001 Wisconsin Act... (this act), is repealed.

"K14"

SECTION 15. 108.161 (3e) of the statutes is amended to read:

108.161 (3e) Notwithstanding sub. (3), any moneys allocated under section 903 (a) (3) of the federal Social Security Act for federal fiscal years 2000, 2001, and 2002 shall be used solely for unemployment insurance administration.

History: 1971 c. 259; 1983 a. 8, 27; 1985 a. 29; 1991 a. 39; 1993 a. 492; 1995 a. 225; 1997 a. 39; 1999 a. 15.

SECTION 16. 108.18 (3s) of the statutes is created to read:

108.18 (3s) SUSPENSION OF SCHEDULE CHANGES. Notwithstanding sub. (3m), the schedule in effect under sub. (3m) for the 2003 calendar year is the same schedule that was in effect under sub. (3m) for the 2002 calendar year.

SECTION 17. 108.18 (3s) of the statutes, as created by 2001 Wisconsin act... (this act), is repealed.

"K17"

SECTION 18. Nonstatutory provisions.

GWS
8A

(1) USE OF CERTAIN FEDERAL REED ACT DISTRIBUTIONS IN 2002 CALENDAR YEAR. The council on unemployment insurance shall not include in any recommendations to the legislature during the 2002 calendar year the appropriation of any distribution received by this state under section 903 of the federal social security act, as amended, except a distribution under section 903 (a) (3) of that act, in the 2002 calendar year.

the

EFFECTIVE DATE

1. In the component bar: For the action phrase, execute: ... **create** → **action:** → *NS: → **effdate**
For the text, execute: **create** → **text:** → *NS: → **effdateA**
2. Nonstatutory subunits are numbered automatically. Fill in the SECTION # or subsection # only if a "frozen" number is needed.

SECTION # _____ . **Effective date.**

(#1) () This act takes effect on

1. In the component bar: For the action phrase, execute: .. **create** → **action:** → *NS: → **effdateE**
For the text, execute: **create** → **text:** → *NS: → **effdate**
2. Nonstatutory subunits are numbered automatically. Fill in the SECTION # or subsection # only if a "frozen" number is needed.

SECTION # _____ . **Effective dates**

..... This act takes effect on the ^{First Sunday} day after publication, except as follows:

(#1) () ^{auto ref. "K4"} ^{ref. "K6"} ^{and} The treatment of sections 108.06(1) (by SECTION 4), 108.06(2)(c) (by SECTION 6), 108.06(2)(cm) (by SECTION 8), and 108.06(6) (intro.) (by SECTION 10), 108.142(1e) (by SECTION 12), 108.143 (by SECTION 14), of the statutes takes effect on ^{January 1, 2004}

^{CS} ^{ref. "K10"} ^{ref. "K12"} ^{ref. "K14"} ^{and} ^{ref. "K8"} 108.18 (3) (by SECTION 17) ^{letter}

1. In the component bar: For the budget action phrase, execute:.. **create** → **action:** → *NS: → **94XX**
For the text, execute: **create** → **text:** → *NS: → **effdate**
2. Nonstatutory subunits are numbered automatically. Fill in the SECTION # or subsection # only if a "frozen" number is needed. Below, for the budget, fill in the 9400 department code.

SECTION 94 _____ . **Effective dates;**

(#1) () The treatment of sections of the statutes takes effect on

(end)

Pr 5 8A

SECTION # . 2001 Wisconsin Act 35, section 72 (1) (b) is amended to read:

[2001 Wisconsin Act 35] Section 72 (1)

(b) Notwithstanding section ~~108.04~~^{108.05}(7), 1999 stats., for each week of unemployment beginning in 2002, if a claimant receives a payment under the federal Social Security Act (42 USC 301, et seq.) that is contributed to by an employer from which the claimant has base period wages, the reduction that applies to the benefits payable to the claimant for that week is 50% of the amount that would otherwise apply for that week under section ~~108.04~~^{108.05}(7), 1999 stats.

Kho, Michelle

From: Anderson, Mary E.
Sent: Wednesday, January 16, 2002 10:52 AM
To: Kho, Michelle
Cc: Weber, William D.
Subject: FW: Reed Act Distributions

Importance: High

Michelle, here are the special Reed Act distributions per Bill Weber in budget. Thanks Bill.

Mary E. Anderson
Director, Bureau of Tax & Accounting
anderma@dwd.state.wi.us

-----Original Message-----

From: Weber, William D.
Sent: Wednesday, January 16, 2002 10:50 AM
To: Anderson, Mary E.
Subject: Reed Act Distributions

FY00 \$2,263,800

FY01 \$2,310,789

FY02 \$2,389,107

Let me know if you need more information. Thanks.

BILL

1 government that is determined by the secretary of workforce development to serve
2 ^{a unemployment program} a purpose similar to extended benefits under s. 108.141.

3 (c) "Regular benefits" means unemployment insurance benefits payable to an
4 individual under state law or federal law, including benefits payable to federal
5 civilian employees and to ex-servicemen under 5 USC ch. 85, other than extended
6 benefits under s. 108.141, federal supplemental compensation, and Wisconsin
7 supplemental benefits under s. 108.142.

8 (d) "State law" means the unemployment insurance law of any state, approved
9 by the federal secretary of labor under 26 USC 3304.

10 (e) "Temporary supplemental benefit period" means the period beginning on ^{of u.I.}
11 March ⁴11, 200², and ending on December 28, 2002. ^{No TSB are payable for weeks prior to 3/4/02}
12 ^{payable for weeks later than the week ending 12/28/02}

13 (f) "Temporary supplemental benefits" means benefits payable to an individual
14 under this section for weeks of unemployment in his or her eligibility period.

15 (2) ELIGIBILITY REQUIREMENTS FOR TEMPORARY SUPPLEMENTAL BENEFITS. An
16 individual is eligible to receive temporary supplemental benefits for any week of
17 unemployment in his or her eligibility period if:

- 18 (a) That week is in a temporary supplemental benefit period;
- 19 ^c (b) The individual is an exhaustee; ^{or later}
- 20 ^d ~~(c) The individual has base period wages equaling at least 40 times the~~
~~individual's most recent weekly benefit rate; and~~

21 ^d (d) The individual is not disqualified and has satisfied those other
22 requirements of this chapter for the payment of regular benefits.

23 (3) RECEIPT OF REGULAR BENEFITS. For purposes of this section, an individual
24 is considered to have received all regular benefits that were available to the



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-4679/1

JTK:kmg:ch

Wanted THU 1/17 - PM

2001 BILL

Gen. Cat.

1 AN ACT to repeal 108.142 (1e), 108.143 and 108.18 (3s); to amend 20.445 (1) (nc),
 2 108.05 (7) (a) 1., 108.06 (1), 108.06 (1), 108.06 (2) (c), 108.06 (2) (c), 108.06 (2)
 3 (cm), 108.06 (2) (cm), 108.06 (6) (intro.), 108.06 (6) (intro.) and 108.161 (3e); to
 4 create 108.142 (1e), 108.143 and 108.18 (3s) of the statutes; and to affect 2001
 5 Wisconsin Act 35, section 72 (1) (b); relating to: temporary supplemental
 6 unemployment insurance benefits and certain other changes to the
 7 unemployment insurance law.

Analysis by the Legislative Reference Bureau

Currently, under a state program, "Wisconsin supplemental benefits" are provided to certain unemployment insurance claimants who would otherwise not be eligible to receive more than 26 weeks of benefits in a benefit year (period during which a claimant's benefits are payable). Under this program, a claimant may potentially receive up to a total of 34 weeks of benefits in a benefit year. Wisconsin supplemental benefits are payable only during a Wisconsin supplemental benefit period, which occurs when this state's rate of insured unemployment reaches a specified level. Also currently, under a federal program, "extended benefits" are provided to certain claimants who would otherwise not be eligible to receive more than 26 or 34 weeks of benefits in a benefit year. Under this program, a claimant may potentially receive up to a total of 39 weeks of benefits in a benefit year. Extended

Full

Full

Full

Full

based on a benefit year that includes one or more weeks in an extended benefit period. An

based on a benefit year that includes one or more weeks in a Wisconsin supplemental benefit period. A

BILL

~~benefits are payable only in an extended benefit period which occurs when the rate of insured unemployment in the United States or in this state reaches a specified level, which is generally higher than the level required for a Wisconsin supplemental benefit period to occur. The cost of Wisconsin supplemental benefits is funded entirely by employers in this state. Fifty percent of the cost of extended benefits is funded by federal taxes paid by employers and 50% of the cost of extended benefits is paid by employers in this state. If an employer is subject to a requirement to pay regular contributions (taxes), which is applicable to most employers except public, nonprofit, and Indian tribal employers, any costs of Wisconsin supplemental or extended benefits are charged to the individual accounts of the employer or employers of the claimants. If an employer is not subject to a contribution requirement, these costs are charged directly to that employer.~~

paid for

most

March 3, 2002

This bill creates a new type of benefits called "temporary supplemental benefits" which are payable to certain claimants who are partially or totally unemployed during the period beginning on ~~March 11, 2001~~, and ending on December 28, 2002. To be eligible to receive temporary supplemental benefits, a claimant must be partially or totally unemployed at the time that the benefits are claimed, must have exhausted the regular benefits that were payable to the claimant, and must meet other requirements generally imposed upon claimants for regular benefits. Under the bill, temporary supplemental benefits are potentially payable for up to eight weeks of unemployment, but may not exceed, in total amount, 50% of the total regular benefits that were paid to a claimant during his or her most recent benefit year. The cost of temporary supplemental benefits is paid by employers in this state. However, the bill provides that if an employer is subject to a contribution requirement the cost is not chargeable to the employer's individual account but is instead chargeable to the balancing account of the unemployment reserve fund, which is supported by all employers that are subject to a contribution requirement. If an employer is not subject to a contribution requirement, this cost is charged directly to the employer or employers of the claimants.

Potential

an amount equal to

for

The bill also provides that Wisconsin supplemental benefits are not payable to any claimant before January 19, 2003. In addition, the bill provides that temporary supplemental benefits are not payable to any claimant for any week in which they would otherwise be payable if the claimant receives extended benefits or other unemployment assistance funded in whole or in part by the federal government for that week or for any other week during the time period that the claimant would otherwise qualify to receive temporary supplemental benefits.

insurance benefits

Currently, contributions are payable by employers under four schedules which establish contribution rates based on an employer's claims (layoff) experience. The schedule that applies for a given year depends on the cash balance in the unemployment reserve fund on June 30 of the preceding year, with higher rates in effect when the balance in the fund is lower. This bill prohibits any change in the contribution schedules from taking effect for the 2003 calendar year regardless of the balance in the unemployment reserve fund on June 30, 2002.

The bill also precludes the council on unemployment insurance from recommending to the legislature any reallocation of certain federal financial

and the department of work force development

JTK

for

eight

in an amount equal to 8 times the claimant's weekly benefit rate

Potentially payable

26

for weeks of unemployment beginning

BILL

assistance provided to this state for any purpose other than benefit payments in the 2002 calendar year. In addition, the bill modifies current law to limit the exemption of social security payments from any required offset against unemployment insurance benefit payments to those social security payments that are based in whole or in part on taxes paid by the claimant.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.445 (1) (nc) of the statutes is amended to read:

20.445 (1) (nc) *Unemployment insurance administration; special federal moneys.* All moneys received from the federal government under section 903 ~~(a) (3)~~ of the federal Social Security Act, as amended, ~~as authorized by the governor under s. 16.54,~~ ^{and} for federal fiscal years 2000, 2001, and 2002, ^{the first \$2,389,107 of the moneys} to be used for administration of unemployment insurance. ^{as authorized by the governor under s. 16.54, that act for} ^{received from the federal government under} ^{fiscal year}

SECTION 2. 108.05 (7) (a) 1. of the statutes, as affected by 2001 Wisconsin Act 35, is amended to read:

108.05 (7) (a) 1. "Pension payment" means a pension, retirement, annuity, or other similar payment made to a claimant, based on the previous work of that claimant, whether or not payable on a periodic basis, from a governmental or other retirement system maintained or contributed to by an employer from which that claimant has base period wages, other than a payment received under the federal Social Security Act (42 USC 301 et seq.) that is based in whole or in part upon taxes paid by the claimant.

SECTION 3. 108.06 (1) of the statutes is amended to read:

108.06 (1) Except as provided in sub. (6) and ss. 108.141 and, 108.142, and 108.143, no claimant may receive total benefits based on employment in a base

BILL

1 period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1)
2 or 40% of the claimant's base period wages, whichever is lower. Except as provided
3 in sub. (6) and ss. 108.141 ~~and~~, 108.142, and 108.143, if a claimant's base period
4 wages are reduced or canceled under s. 108.04 (5), ~~(7), (8) (a)~~ or (18), or suspended
5 under s. 108.04 (1) (f), (10) (a), or (17), the claimant may not receive total benefits
6 based on employment in a base period greater than 26 times the claimant's weekly
7 benefit rate under s. 108.05 (1) or 40% of the base period wages not reduced, canceled
8 or suspended which were paid or payable to the claimant, whichever is lower.

9 SECTION 4. 108.06 (1) of the statutes, as affected by 2001 Wisconsin Act (this
10 act), is amended to read:

11 108.06 (1) Except as provided in sub. (6) and ss. 108.141, and 108.142, ~~and~~
12 ~~108.143~~, no claimant may receive total benefits based on employment in a base
13 period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1)
14 or 40% of the claimant's base period wages, whichever is lower. Except as provided
15 in sub. (6) and ss. 108.141, and 108.142, ~~and 108.143~~, if a claimant's base period
16 wages are reduced or canceled under s. 108.04 (5) ~~(7), (8) (a)~~ or (18), or suspended
17 under s. 108.04 (1) (f), (10) (a), or (17), the claimant may not receive total benefits
18 based on employment in a base period greater than 26 times the claimant's weekly
19 benefit rate under s. 108.05 (1) or 40% of the base period wages not reduced, canceled
20 or suspended which were paid or payable to the claimant, whichever is lower.

21 SECTION 5. 108.06 (2) (c) of the statutes is amended to read:

22 108.06 (2) (c) No benefits are payable to a claimant for any week of
23 unemployment not occurring during the claimant's benefit year except under ss.
24 108.141 ~~and~~, 108.142, and 108.143.

BILL

1 **SECTION 6.** 108.06 (2) (c) of the statutes, as affected by 2001 Wisconsin Act
2 (this act), is amended to read:

3 108.06 (2) (c) No benefits are payable to a claimant for any week of
4 unemployment not occurring during the claimant's benefit year except under ss.
5 108.141, and 108.142, and 108.143.

6 **SECTION 7.** 108.06 (2) (cm) of the statutes is amended to read:

7 108.06 (2) (cm) If an employee qualifies to receive benefits using the base period
8 described in s. 108.02 (4) (b), the wages used to compute the employee's benefit
9 entitlement are not available for use in any subsequent benefit computation for the
10 same employee, except under s. 108.141 ~~or~~, 108.142, or 108.143.

11 **SECTION 8.** 108.06 (2) (cm) of the statutes, as affected by 2001 Wisconsin Act
12 (this act), is amended to read:

13 108.06 (2) (cm) If an employee qualifies to receive benefits using the base period
14 described in s. 108.02 (4) (b), the wages used to compute the employee's benefit
15 entitlement are not available for use in any subsequent benefit computation for the
16 same employee, except under s. 108.141, or 108.142, or 108.143.

17 **SECTION 9.** 108.06 (6) (intro.) of the statutes is amended to read:

18 108.06 (6) (intro.) If a claimant has established a benefit year prior to the
19 effective date of any increase in the maximum weekly benefit rate provided under
20 s. 108.05 (1), the claimant has not exhausted his or her total benefit entitlement
21 under sub. (1) for that benefit year on that effective date, and the claimant was
22 entitled to receive the maximum weekly benefit rate under s. 108.05 (1) that was in
23 effect prior to that effective date, the limitation on the total benefits authorized to
24 be paid to a claimant under sub. (1) does not apply to that claimant in that benefit
25 year. Unless s. 108.141 ~~or~~, 108.142, or 108.143 applies, the claimant's remaining

BILL

1 benefit entitlement in that benefit year for the period beginning on that effective date
2 shall be computed by:

3 **SECTION 10.** 108.06 (6) (intro.) of the statutes, as affected by 2001 Wisconsin
4 Act (this act), is amended to read:

5 108.06 (6) (intro.) If a claimant has established a benefit year prior to the
6 effective date of any increase in the maximum weekly benefit rate provided under
7 s. 108.05 (1), the claimant has not exhausted his or her total benefit entitlement
8 ~~under sub. (1) for that benefit year on that effective date, and the claimant was~~
9 entitled to receive the maximum weekly benefit rate under s. 108.05 (1) that was in
10 effect prior to that effective date, the limitation on the total benefits authorized to
11 be paid to a claimant under sub. (1) does not apply to that claimant in that benefit
12 year. Unless s. 108.141, or 108.142, ~~or 108.143~~ applies, the claimant's remaining
13 benefit entitlement in that benefit year for the period beginning on that effective date
14 shall be computed by:

15 **SECTION 11.** 108.142 (1e) of the statutes is created to read:

16 108.142 (1e) SUSPENSION. ~~Notwithstanding sub. (1) (a),~~ ^{No Wisconsin}
17 ~~supplemental benefit period is in effect for any week beginning earlier than January~~
18 ~~19, 2003.~~ ^{benefits may be paid for any week of unemployment}
19 ²⁶

20 **SECTION 12.** 108.142 (1e) of the statutes, as created by 2001 Wisconsin Act
(this act), is repealed.

21 **SECTION 13.** 108.143 of the statutes is created to read:

22 **108.143 Temporary supplemental benefits.** (1) DEFINITIONS. In this
23 section:

24 (a) "Eligibility period" means the period consisting of the weeks in an
25 individual's benefit year that begin in a temporary supplemental benefit period and,

BILL

1 if an individual's benefit year ends within a temporary supplemental benefit period,
2 any week thereafter that begins in a temporary supplemental benefit period in which
3 an individual would have remaining benefit entitlement under this section if the
4 week had begun in the individual's benefit year.

5 (b) "Exhaustee" means an individual who, with respect to any week of
6 unemployment in his or her eligibility period:

7 1. ^{is eligible to receive as of} ~~Has received~~ prior to that week, in his or her benefit year which includes
8 that week, all of the regular benefits that ^{are potentially payable} ~~were available~~ to that individual under
9 state or federal law, including dependents' allowances, or is precluded from receiving
10 regular benefits by reason of the law of another state which meets the requirement
11 of 26 USC 3304 (a) (7);

12 2. Lacks sufficient base period wages under s. 108.04 (4) (a) or employment or
13 other work under s. 108.04 (4) (c) to establish a benefit year under s. 108.06
14 subsequent to a benefit year which expired prior to that week, and in the temporary
15 supplemental benefit period which includes that week;

16 3. Has no right to unemployment assistance under the Railroad
17 Unemployment Insurance Act or other federal laws as are specified in regulations
18 of the federal department of labor, and has not received and is not applying for
19 unemployment insurance under the laws of Canada, unless the individual is
20 applying for that insurance and the appropriate Canadian agency finally determines
21 that he or she is not entitled to that insurance; and

22 4. ^{eligible} The individual is not ^{was} entitled to receive for that week and has not ^{been} received
23 for any ^{earlier} other week in his or her eligibility period extended benefits under s. 108.141
24 or other ^{supplemental} unemployment assistance funded in whole or in part by the federal

BILL

1 government that is determined by the secretary of workforce development to serve

2 *as an unemployment insurance benefit program.*

~~3 a purpose similar to extended benefits under s. 108.141.~~

3 (c) "Regular benefits" means unemployment insurance benefits payable to an
4 individual under state law or federal law, including benefits payable to federal
5 civilian employees and to ex-servicemen under 5 USC ch. 85, other than extended
6 benefits under s. 108.141, federal supplemental compensation, and Wisconsin
7 supplemental benefits under s. 108.142.

8 (d) "State law" means the unemployment insurance law of any state, approved
9 by the federal secretary of labor under 26 USC 3304.

10 (e) "Temporary supplemental benefit period" means the period beginning on
11 March 11, 2001, and ending on December 28, 2002.

12 (f) "Temporary supplemental benefits" means benefits payable to an individual
13 under this section for weeks of unemployment in his or her eligibility period.

14 (2) ELIGIBILITY REQUIREMENTS FOR TEMPORARY SUPPLEMENTAL BENEFITS. An

15 individual is eligible to receive temporary supplemental benefits for any week of
16 unemployment ^{beginning on or after March 3, 2002, and ending on or before} in his or her eligibility period if: ^{December 28, 2002.}

- 17 (a) That week is in ^{start} a temporary supplemental benefit period;
- 18 (b) The individual ^{the individual's eligibility} established a benefit year which began on or after ^{start} March 11, 2001;
- 19 (c) ~~The individual has base period wages equaling at least 40 times the~~

20 ~~individual's most recent weekly benefit rate; and~~

21 (d) The individual is not disqualified and has satisfied those other
22 requirements of this chapter for the payment of regular benefits.

23 (3) RECEIPT OF REGULAR BENEFITS. For purposes of this section, an individual

24 is considered to have received all regular benefits that were available to the

BILL

1 individual in his or her benefit year which includes any week of unemployment in
2 his or her eligibility period notwithstanding that:

3 (a) The individual may subsequently be determined to be entitled to additional
4 regular benefits as a result of a pending appeal under s. 108.09 or 108.10 which were
5 not included in the determination or decision under appeal; or

6 (b) The individual is precluded from receiving regular benefits by reason of a
7 seasonal limitation in the law of another state.

8 (4) WEEKLY TEMPORARY SUPPLEMENTAL BENEFIT RATE. The weekly temporary
9 supplemental benefit rate payable to a claimant for a week of total unemployment
10 is ~~an amount equal to the amount determined under s. 108.05 (1) for the most recent~~
11 ~~week preceding the claimant's eligibility period in which regular benefits were paid~~
12 ~~determined under s. 108.05 (1). No subsequent adjustment~~
13 ~~to the claimant, except that if the amount of benefits paid to the claimant for that~~
14 ~~week was not the same as for the preceding week the temporary supplemental~~
15 ~~benefit rate payable to the claimant is the amount paid to the claimant for the~~
16 ~~preceding week.~~ *Fifty percent to the claimant*

17 (5) MAXIMUM TEMPORARY SUPPLEMENTAL BENEFIT ENTITLEMENT. No claimant may
18 receive total temporary supplemental benefits greater than ~~8 times the claimant's~~
19 ~~temporary supplemental benefit rate under s. 108.05 (1) or 50% of the total regular~~
20 ~~benefits that were paid to the claimant during the claimant's most recent benefit~~
21 ~~year, whichever is lower.~~ *the lesser of:*
(a) One-half of the amount of regular benefits, including benefits
temporarily canceled under s. 108.05, that were payable in the claimant's most recent
benefit year, rounded down to the nearest dollar; or
(b) Eight times the claimant's weekly temporary supplemental benefit
rate.

22 (6) EFFECT OF OTHER PROVISIONS OF THIS CHAPTER. The provisions of this chapter
23 which apply to claims for, or the payment of, regular benefits apply to claims for, and
24 the payment of, temporary supplemental benefits, except when the result would be
inconsistent with other provisions of this chapter.

BILL

1 **(7) CHARGES OF BENEFITS.** The department shall charge to the fund's balancing
2 account the cost of temporary supplemental benefits paid to a claimant that are
3 otherwise chargeable to the account of an employer that is subject to the contribution
4 requirements of ss. 108.17 and 108.18.

5 **SECTION 14.** 108.143 of the statutes, as created by 2001 Wisconsin Act (this
6 act), is repealed.

7 **SECTION 15.** 108.161 (3e) of the statutes is amended to read:

8 ~~108.161 (3e) Notwithstanding sub. (3), any moneys allocated under section 903~~
9 (a) (3) of the federal Social Security Act for federal fiscal years 2000, 2001, and 2002
10 shall be used solely for unemployment insurance administration.

11 **SECTION 16.** 108.18 (3s) of the statutes is created to read:

12 **108.18 (3s) SUSPENSION OF SCHEDULE CHANGES.** Notwithstanding sub. (3m), the
13 schedule in effect under sub. (3m) for the 2003 calendar year is the same schedule
14 that was in effect under sub. (3m) for the 2002 calendar year.

15 **SECTION 17.** 108.18 (3s) of the statutes, as created by 2001 Wisconsin Act
16 (this act), is repealed.

17 **SECTION 18.** 2001 Wisconsin Act 35, section 72 (1) (b) is amended to read:

18 [2001 Wisconsin Act 35] Section 72 (1) (b) Notwithstanding section ~~108.04~~
19 108.05 (7), 1999 stats., for each week of unemployment beginning in 2002, if a
20 claimant receives a payment under the federal Social Security Act (42 USC 301, et
21 seq.) that is contributed to by an employer from which the claimant has base period
22 wages, the reduction that applies to the benefits payable to the claimant for that
23 week is 50% of the amount that would otherwise apply for that week under section
24 ~~108.04~~ 108.05 (7), 1999 stats.

25 **SECTION 19. Nonstatutory provisions.**

BILL

- 11 - of workforce development

1 (1) USE OF CERTAIN FEDERAL REED ACT DISTRIBUTIONS IN THE 2002 CALENDAR YEAR.
 2 *and the department of workforce development may*
 The council on unemployment insurance ~~shall~~ not include in any recommendations
 3 to the legislature during the 2002 calendar year the appropriation of any distribution
 4 received by this state under section 903 of the federal Social Security Act, as
 5 amended, ~~except a distribution under section 903 (a) (3) of that act,~~ in the 2002
 6 calendar year.
the first \$2,389,107 of

7 **SECTION 20. Effective dates.** This act takes effect on the first Sunday after
 8 publication, except as follows:

9 (1) The treatment of sections 108.06 (1) (by SECTION 4), (2) (c) (by SECTION 6) and
 10 (cm) (by SECTION 8), and (6) (intro.) (by SECTION 10), 108.142 (1e) (by SECTION 12),
 11 108.143 (by SECTION 14), and 108.18 (3s) (by SECTION 17) of the statutes takes effect
 12 on January 1, 2004.

(END)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB 4679/2
JTK:kmg:kjf

wanted Fri 1/18 - 3pm

2001 BILL

1 AN ACT *Gen. Cat.* *to repeal* 108.142 (1e), 108.143 and 108.18 (3s); *to amend* 20.445 (1) (nc),
2 108.05 (7) (a) 1., 108.06 (1), 108.06 (1), 108.06 (2) (c), 108.06 (2) (c), 108.06 (2)
3 (cm), 108.06 (2) (cm), 108.06 (6) (intro.), 108.06 (6) (intro.) and 108.161 (3e); *to*
4 *create* 108.142 (1e), 108.143 and 108.18 (3s) of the statutes; and *to affect* 2001
5 Wisconsin Act 35, section 72 (1) (b); **relating to:** temporary supplemental
6 unemployment insurance benefits and certain other changes to the
7 unemployment insurance law.

Analysis by the Legislative Reference Bureau

Currently, under a state program, "Wisconsin supplemental benefits" are provided to certain unemployment insurance claimants who would otherwise not be eligible to receive more than 26 full weeks of benefits in a benefit year (period during which a claimant's benefits are payable). Under this program, a claimant may potentially receive up to a total of 34 full weeks of benefits based on a benefit year that includes one or more weeks in a Wisconsin supplemental benefit period. A Wisconsin supplemental benefit period occurs when this state's rate of insured unemployment reaches a specified level. Also currently, under a federal program, "extended benefits" are provided to certain claimants who would otherwise not be eligible to receive more than 26 or 34 full weeks of benefits in a benefit year. Under this program, a claimant may potentially receive up to a total of 39 full weeks of

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In order to receive Wisconsin supplemental benefits or extended benefits, a claimant must have earned a specified amount of wages (or certain amounts treated as wages) during his or her base period (qualifying work period during which benefit rights accrue).

benefits based on a benefit year that includes one or more weeks in an extended benefit period. An extended benefit period occurs when the rate of insured unemployment in the United States or in this state reaches a specified level, which is generally higher than the level required for a Wisconsin supplemental benefit period to occur. The cost of Wisconsin supplemental benefits is paid for entirely by employers in this state. Fifty percent of the cost of extended benefits is funded by federal taxes paid by employers and 50% of the cost of extended benefits is paid for by employers in this state. If an employer is subject to a requirement to pay regular contributions (taxes), which is applicable to all employers except most public, nonprofit, and Indian tribal employers, any costs of Wisconsin supplemental or extended benefits are charged to the individual accounts of the employer or employers of the claimants. If an employer is not subject to a contribution requirement, these costs are charged directly to that employer.

This bill creates a new type of benefits called "temporary supplemental benefits" which are payable to certain claimants who are partially or totally unemployed during the period beginning on March 3, 2002, and ending on December 28, 2002. To be eligible to receive temporary supplemental benefits, a claimant must be partially or totally unemployed at the time that the benefits are claimed, must have exhausted the regular benefits that were potentially payable to the claimant, and must meet other requirements generally imposed upon claimants for regular benefits. Under the bill, temporary supplemental benefits are potentially payable in an amount equal to eight times a claimant's weekly benefit rate, but may not exceed an amount equal to 50% of the total regular benefits that were potentially payable to a claimant during his or her most recent benefit year. The cost of temporary supplemental benefits is paid for by employers in this state. However, the bill provides that if an employer is subject to a contribution requirement the cost is not chargeable to the employer's individual account but is instead chargeable to the balancing account of the unemployment reserve fund, which is supported by all employers that are subject to a contribution requirement. If an employer is not subject to a contribution requirement, this cost is charged directly to the employer or employers of the claimants.

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A claimant who meets other requirements need not have earned any specified amounts of wages or other amounts treated as wages in order to receive the full amount of temporary supplemental benefits that are potentially payable to the claimant.

(S) The bill also provides that Wisconsin supplemental benefits are not payable to any claimant for weeks of unemployment beginning before January 26, 2003. In addition, the bill provides that temporary supplemental benefits are not payable to any claimant for any week in which they would otherwise be payable if the claimant receives extended benefits or other unemployment insurance benefits funded in whole or in part by the federal government for that week or for any other week during the time period that the claimant would otherwise qualify to receive temporary supplemental benefits.

Currently, contributions are payable by employers under four schedules which establish contribution rates based on an employer's claims (layoff) experience. The schedule that applies for a given year depends on the cash balance in the unemployment reserve fund on June 30 of the preceding year, with higher rates in effect when the balance in the fund is lower. This bill prohibits any change in the

15

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contribution schedules from taking effect for the 2003 calendar year regardless of the balance in the unemployment reserve fund on June 30, 2002.

The bill also precludes the council on unemployment insurance and the department of workforce development from recommending to the legislature any reallocation of certain federal financial assistance provided to this state for any purpose other than benefit payments in the 2002 calendar year. In addition, the bill modifies current law to limit the exemption of social security payments from any required offset against unemployment insurance benefit payments to those social security payments that are based in whole or in part on taxes paid by the claimant.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.445 (1) (nc) of the statutes is amended to read:

2 20.445 (1) (nc) *Unemployment insurance administration; special federal*
3 *moneys.* All moneys received from the federal government under section 903 of the
4 federal Social Security Act, as amended, ~~as authorized by the governor under s.~~
5 ~~16.54, for federal fiscal years 2000, and 2001 and the first \$2,389,107 of the moneys~~
6 ~~received from the federal government under that act for federal fiscal year 2002, as~~
7 ~~authorized by the governor under s. 16.54,~~ to be used for administration of
8 unemployment insurance.

9 **SECTION 2.** 108.05 (7) (a) 1. of the statutes, as affected by 2001 Wisconsin Act
10 35, is amended to read:

11 108.05 (7) (a) 1. "Pension payment" means a pension, retirement, annuity, or
12 other similar payment made to a claimant, based on the previous work of that
13 claimant, whether or not payable on a periodic basis, from a governmental or other
14 retirement system maintained or contributed to by an employer from which that
15 claimant has base period wages, other than a payment received under the federal

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1 Social Security Act (42 USC 301 et seq.) that is based in whole or in part upon taxes
2 paid by the claimant.

3 **SECTION 3.** 108.06 (1) of the statutes is amended to read:

4 108.06 (1) Except as provided in sub. (6) and ss. 108.141 ~~and~~, 108.142, and
5 108.143, no claimant may receive total benefits based on employment in a base
6 period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1)
7 or 40% of the claimant's base period wages, whichever is lower. Except as provided
8 in sub. (6) and ss. 108.141 ~~and~~, 108.142, and 108.143, if a claimant's base period
9 wages are reduced or canceled under s. 108.04 (5), ~~(7), (8) (a)~~ or (18), or suspended
10 under s. 108.04 (1) (f), (10) (a), or (17), the claimant may not receive total benefits
11 based on employment in a base period greater than 26 times the claimant's weekly
12 benefit rate under s. 108.05 (1) or 40% of the base period wages not reduced, canceled
13 or suspended which were paid or payable to the claimant, whichever is lower.

14 **SECTION 4.** 108.06 (1) of the statutes, as affected by 2001 Wisconsin Act (this
15 act), is amended to read:

16 108.06 (1) Except as provided in sub. (6) and ss. 108.141, and 108.142, ~~and~~
17 ~~108.143~~, no claimant may receive total benefits based on employment in a base
18 period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1)
19 or 40% of the claimant's base period wages, whichever is lower. Except as provided
20 in sub. (6) and ss. 108.141, and 108.142, ~~and~~ 108.143, if a claimant's base period
21 wages are reduced or canceled under s. 108.04 (5) or (18), or suspended under s.
22 108.04 (1) (f), (10) (a), or (17), the claimant may not receive total benefits based on
23 employment in a base period greater than 26 times the claimant's weekly benefit rate
24 under s. 108.05 (1) or 40% of the base period wages not reduced, canceled or
25 suspended which were paid or payable to the claimant, whichever is lower.

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1 **SECTION 5.** 108.06 (2) (c) of the statutes is amended to read:

2 108.06 (2) (c) No benefits are payable to a claimant for any week of
3 unemployment not occurring during the claimant's benefit year except under ss.
4 108.141 and, 108.142, and 108.143.

5 **SECTION 6.** 108.06 (2) (c) of the statutes, as affected by 2001 Wisconsin Act
6 (this act), is amended to read:

7 108.06 (2) (c) No benefits are payable to a claimant for any week of
8 unemployment not occurring during the claimant's benefit year except under ss.
9 108.141, and 108.142, and 108.143.

10 **SECTION 7.** 108.06 (2) (cm) of the statutes is amended to read:

11 108.06 (2) (cm) If an employee qualifies to receive benefits using the base period
12 described in s. 108.02 (4) (b), the wages used to compute the employee's benefit
13 entitlement are not available for use in any subsequent benefit computation for the
14 same employee, except under s. 108.141 or, 108.142, or 108.143.

15 **SECTION 8.** 108.06 (2) (cm) of the statutes, as affected by 2001 Wisconsin Act
16 (this act), is amended to read:

17 108.06 (2) (cm) If an employee qualifies to receive benefits using the base period
18 described in s. 108.02 (4) (b), the wages used to compute the employee's benefit
19 entitlement are not available for use in any subsequent benefit computation for the
20 same employee, except under s. 108.141, or 108.142, or 108.143.

21 **SECTION 9.** 108.06 (6) (intro.) of the statutes is amended to read:

22 108.06 (6) (intro.) If a claimant has established a benefit year prior to the
23 effective date of any increase in the maximum weekly benefit rate provided under
24 s. 108.05 (1), the claimant has not exhausted his or her total benefit entitlement
25 under sub. (1) for that benefit year on that effective date, and the claimant was

BILL

1 entitled to receive the maximum weekly benefit rate under s. 108.05 (1) that was in
2 effect prior to that effective date, the limitation on the total benefits authorized to
3 be paid to a claimant under sub. (1) does not apply to that claimant in that benefit
4 year. Unless s. 108.141 ~~or~~ 108.142, or 108.143 applies, the claimant's remaining
5 benefit entitlement in that benefit year for the period beginning on that effective date
6 shall be computed by:

7 **SECTION 10.** 108.06 (6) (intro.) of the statutes, as affected by 2001 Wisconsin
8 Act (this act), is amended to read:

9 108.06 (6) (intro.) If a claimant has established a benefit year prior to the
10 effective date of any increase in the maximum weekly benefit rate provided under
11 s. 108.05 (1), the claimant has not exhausted his or her total benefit entitlement
12 under sub. (1) for that benefit year on that effective date, and the claimant was
13 entitled to receive the maximum weekly benefit rate under s. 108.05 (1) that was in
14 effect prior to that effective date, the limitation on the total benefits authorized to
15 be paid to a claimant under sub. (1) does not apply to that claimant in that benefit
16 year. Unless s. 108.141, or 108.142, ~~or 108.143~~ applies, the claimant's remaining
17 benefit entitlement in that benefit year for the period beginning on that effective date
18 shall be computed by:

19 **SECTION 11.** 108.142 (1e) of the statutes is created to read:

20 108.142 (1e) **SUSPENSION.** No Wisconsin supplemental benefits may be paid for
21 any week of unemployment beginning earlier than January 26, 2008.

22 **SECTION 12.** 108.142 (1e) of the statutes, as created by 2001 Wisconsin Act
23 (this act), is repealed.

24 **SECTION 13.** 108.143 of the statutes is created to read:

BILL

1 **108.143 Temporary supplemental benefits. (1) DEFINITIONS.** In this
2 section:

3 (a) "Eligibility period" means the period consisting of the weeks in an
4 individual's benefit year that begin in a temporary supplemental benefit period and,
5 if an individual's benefit year ends within a temporary supplemental benefit period,
6 any week thereafter that begins in a temporary supplemental benefit period in which
7 an individual would have remaining benefit entitlement under this section if the
8 week had begun in the individual's benefit year.

9 (b) "Exhaustee" means an individual who, with respect to any week of
10 unemployment in his or her eligibility period:

11 1. Is eligible to receive as of that week, in his or her benefit year which includes
12 that week, all of the regular benefits that are potentially payable to that individual
13 under state or federal law, including dependents' allowances, or is precluded from
14 receiving regular benefits by reason of the law of another state which meets the
15 requirement of 26 USC 3304 (a) (7);

16 2. Lacks sufficient base period wages under s. 108.04 (4) (a) or employment or
17 other work under s. 108.04 (4) (c) to establish a benefit year under s. 108.06
18 subsequent to a benefit year which expired prior to that week, and in the temporary
19 supplemental benefit period which includes that week;

20 3. Has no right to unemployment assistance under the Railroad
21 Unemployment Insurance Act or other federal laws as are specified in regulations
22 of the federal department of labor, and has not received and is not applying for
23 unemployment insurance under the laws of Canada, unless the individual is
24 applying for that insurance and the appropriate Canadian agency finally determines
25 that he or she is not entitled to that insurance; and

BILL

1 4. Is not eligible to receive for that week and was not eligible to receive for any
2 earlier week in his or her eligibility period extended benefits under s. 108.141 or
3 other supplemental unemployment assistance funded in whole or in part by the
4 federal government that is determined by the secretary of workforce development to
5 serve as an unemployment insurance benefit program.

6 (c) "Regular benefits" means unemployment insurance benefits payable to an
7 individual under state law or federal law, including benefits payable to federal
8 civilian employees and to ex-servicemen under 5 USC ch. 85, other than extended
9 benefits under s. 108.141, federal supplemental compensation, and Wisconsin
10 supplemental benefits under s. 108.142.

11 (d) "State law" means the unemployment insurance law of any state, approved
12 by the federal secretary of labor under 26 USC 3304.

13 (e) "Temporary supplemental benefits" means benefits payable to an individual
14 under this section for weeks of unemployment in his or her eligibility period.

15 (2) ELIGIBILITY REQUIREMENTS FOR TEMPORARY SUPPLEMENTAL BENEFITS. An
16 individual is eligible to receive temporary supplemental benefits for any week of
17 unemployment beginning on or after March 3, 2002, and ending on or before
18 December 28, 2002, if:

19 (a) That week is in the individual's eligibility period;

20 (b) The individual established a benefit year which began on or after March 11,
21 2001;

22 (c) The individual is an exhaustee; and

23 (d) The individual is not disqualified and has satisfied ~~the~~ ^{the} other
24 requirements of this chapter for the payment of regular benefits.

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1 (3) RECEIPT OF REGULAR BENEFITS. For purposes of this section, an individual
2 is considered to have received all regular benefits that were available to the
3 individual in his or her benefit year which includes any week of unemployment in
4 his or her eligibility period notwithstanding that:

5 (a) The individual may subsequently be determined to be entitled to additional
6 regular benefits as a result of a pending appeal under s. 108.09 or 108.10 which were
7 not included in the determination or decision under appeal; or

8 (b) The individual is precluded from receiving regular benefits by reason of a
9 seasonal limitation in the law of another state.

10 (4) WEEKLY TEMPORARY SUPPLEMENTAL BENEFIT RATE. The weekly temporary
11 supplemental benefit rate payable to a claimant for a week of total unemployment
12 is the same as the rate payable to the claimant for regular benefits during his or her
13 most recent benefit year as determined under s. 108.05 (1). No subsequent
14 adjustment of ^{the} benefit rates ^{in the schedules under s. 108.05(1)} applies to benefits payable under this section.

15 (5) MAXIMUM TEMPORARY SUPPLEMENTAL BENEFIT ENTITLEMENT. No claimant may
16 receive total temporary supplemental benefits greater than the lesser of:

17 (a) Fifty percent of the amount of regular benefits, ~~including benefits canceled~~
18 ~~under s. 108.05~~ that were payable to the claimant in the claimant's most recent
19 benefit year, rounded down to the nearest dollar; or

20 (b) Eight times the claimant's weekly temporary supplemental benefit rate.

21 (6) EFFECT OF OTHER PROVISIONS OF THIS CHAPTER. The provisions of this chapter
22 which apply to claims for, or the payment of, regular benefits apply to claims for, and
23 the payment of, temporary supplemental benefits, except when the result would be
24 inconsistent with other provisions of this chapter.

BILL

1 (7) CHARGES OF BENEFITS. The department shall charge to the fund's balancing
2 account the cost of temporary supplemental benefits paid to a claimant that are
3 otherwise chargeable to the account of an employer that is subject to the contribution

4 requirements of ss. 108.17 and 108.18. *The department shall charge the*
cost of temporary supplemental benefits based upon employment by an employer

5 SECTION 14. 108.143 of the statutes, as created by 2001 Wisconsin Act (this
6 act), is repealed.

that is not subject to the contribution requirements of ss. 108.17 and 108.18

7 SECTION 15. 108.161 (3e) of the statutes is amended to read:

8 108.161 (3e) Notwithstanding sub. (3), any moneys allocated under section 903
9 (a) (3) of the federal Social Security Act for federal fiscal years 2000, 2001, and 2002
10 shall be used solely for unemployment insurance administration.

in accordance with s. 108.07(5)

11 SECTION 16. 108.18 (3s) of the statutes is created to read:

12 108.18 (3s) SUSPENSION OF SCHEDULE CHANGES. Notwithstanding sub. (3m), the
13 schedule in effect under sub. (3m) for the 2003 calendar year is the same schedule
14 that was in effect under sub. (3m) for the 2002 calendar year.

15 SECTION 17. 108.18 (3s) of the statutes, as created by 2001 Wisconsin Act
16 (this act), is repealed.

17 SECTION 18. 2001 Wisconsin Act 35, section 72 (1) (b) is amended to read:

18 [2001 Wisconsin Act 35] Section 72 (1) (b) Notwithstanding section ~~108.04~~
19 ~~108.05~~ (7), 1999 stats., for each week of unemployment beginning in 2002, if a
20 claimant receives a payment under the federal Social Security Act (42 USC 301, et
21 seq.) that is contributed to by an employer from which the claimant has base period
22 wages, the reduction that applies to the benefits payable to the claimant for that
23 week is 50% of the amount that would otherwise apply for that week under section
24 ~~108.04~~ ~~108.05~~ (7), 1999 stats.

25 SECTION 19. Nonstatutory provisions.

BILL

1 (1) USE OF CERTAIN FEDERAL REED ACT DISTRIBUTIONS IN THE 2002 CALENDAR YEAR.

2 The council on unemployment insurance and the department of workforce
3 development may not include in any recommendations to the legislature during the
4 2002 calendar year the appropriation of the first \$2,389,107 of any distribution
5 received by this state under section 903 of the federal Social Security Act, as
6 amended, in the 2002 calendar year.

7 **SECTION 20. Effective dates.** This act takes effect on the first Sunday after
8 publication, except as follows:

9 (1) The treatment of sections 108.06 (1) (by SECTION 4), (2) (c) (by SECTION 6) and
10 (cm) (by SECTION 8), and (6) (intro.) (by SECTION 10), 108.142 (1e) (by SECTION 12),
11 108.143 (by SECTION 14), and 108.18 (3s) (by SECTION 17) of the statutes takes effect
12 on January 1, 2004.

13

(END)

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1 government that is determined by the secretary of workforce development to serve
2 a purpose similar to extended benefits under s. 108.141.

3 (c) "Regular benefits" means unemployment insurance benefits payable to an
4 individual under state law or federal law, including benefits payable to federal
5 civilian employees and to ex-servicemen under 5 USC ch. 85, other than extended
6 benefits under s. 108.141, federal supplemental compensation, and Wisconsin
7 supplemental benefits under s. 108.142.

8 (d) "State law" means the unemployment insurance law of any state, approved
9 by the federal secretary of labor under 26 USC 3304.

10 (e) "Temporary supplemental benefit period" means the period beginning on
11 March 11, 2001, and ending on December 28, 2002.

12 (f) "Temporary supplemental benefits" means benefits payable to an individual
13 under this section for weeks of unemployment in his or her eligibility period.

14 (2) ELIGIBILITY REQUIREMENTS FOR TEMPORARY SUPPLEMENTAL BENEFITS. An
15 individual is eligible to receive temporary supplemental benefits for any week of
16 unemployment in his or her eligibility period if:

- 17 (a) That week is in a temporary supplemental benefit period;
- 18 (b) The individual is an exhaustee;
- 19 (c) The individual has base period wages equaling at least 40 times the
20 individual's most recent weekly benefit rate; and
- 21 (d) The individual is not disqualified and has satisfied those other
22 requirements of this chapter for the payment of regular benefits.

23 (3) RECEIPT OF REGULAR BENEFITS. For purposes of this section, an individual
24 is considered to have received all regular benefits that were available to the



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-4679/8 4

JTK:kmg:jf
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wanted Fri 1/18 - 4:15 PM

2001 BILL

1 AN ACT to repeal 108.142 (1e), 108.143 and 108.18 (3s); to amend 20.445 (1) (nc),
2 108.05 (7) (a) 1., 108.06 (1), 108.06 (1), 108.06 (2) (c), 108.06 (2) (c), 108.06 (2)
3 (cm), 108.06 (2) (cm), 108.06 (6) (intro.), 108.06 (6) (intro.) and 108.161 (3e); to
4 create 108.142 (1e), 108.143 and 108.18 (3s) of the statutes; and to affect 2001
5 Wisconsin Act 35, section 72 (1) (b); relating to: temporary supplemental
6 unemployment insurance benefits and certain other changes to the
7 unemployment insurance law.

Analysis by the Legislative Reference Bureau

Currently, under a state program, "Wisconsin supplemental benefits" are provided to certain unemployment insurance claimants who would otherwise not be eligible to receive more than 26 full weeks of benefits in a benefit year (period during which a claimant's benefits are payable). Under this program, a claimant may potentially receive up to a total of 34 full weeks of benefits based on a benefit year that includes one or more weeks in a Wisconsin supplemental benefit period. A Wisconsin supplemental benefit period occurs when this state's rate of insured unemployment reaches a specified level. Also currently, under a federal program, "extended benefits" are provided to certain claimants who would otherwise not be eligible to receive more than 26 or 34 full weeks of benefits based on a benefit year. Under this program, a claimant may potentially receive up to a total of 39 full weeks

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of benefits based on a benefit year that includes one or more weeks in an extended benefit period. An extended benefit period occurs when the rate of insured unemployment in the United States or in this state reaches a specified level, which is generally higher than the level required for a Wisconsin supplemental benefit period to occur. In order to receive Wisconsin supplemental benefits or extended benefits, a claimant must have earned a specified amount of wages (or certain amounts treated as wages) during his or her base period (qualifying work period during which benefit rights accrue). The cost of Wisconsin supplemental benefits is paid for entirely by employers in this state. Fifty percent of the cost of extended benefits is funded by federal taxes paid by employers and 50% of the cost of extended benefits is paid for by employers in this state. If an employer is subject to a requirement to pay regular contributions (taxes), which is applicable to all employers except most public, nonprofit, and Indian tribal employers, any costs of Wisconsin supplemental or extended benefits are charged to the individual accounts of the employer or employers of the claimants. If an employer is not subject to a contribution requirement, these costs are charged directly to that employer.

This bill creates a new type of benefits called "temporary supplemental benefits" which are payable to certain claimants who are partially or totally unemployed during the period beginning on March 8, 2002, and ending on December 28, 2002. To be eligible to receive temporary supplemental benefits, a claimant must be partially or totally unemployed at the time that the benefits are claimed, must have received all regular benefits that were potentially payable to the claimant, and must meet other requirements generally imposed upon claimants for regular benefits. Under the bill, temporary supplemental benefits are potentially payable in an amount equal to eight times a claimant's weekly benefit rate, but may not exceed an amount equal to 50% of the total regular benefits that were potentially payable to a claimant during his or her most recent benefit year. A claimant who meets other requirements need not have earned any specified amounts of wages or other amounts treated as wages in order to receive the full amount of temporary supplemental benefits that is potentially payable to the claimant. The cost of temporary supplemental benefits is paid for by employers in this state. However, the bill provides that if an employer is subject to a contribution requirement the cost is not chargeable to the employer's individual account but is instead chargeable to the balancing account of the unemployment reserve fund, which is supported by all employers that are subject to a contribution requirement. If an employer is not subject to a contribution requirement, this cost is charged directly to the employer or employers of the claimants.

The bill also provides that Wisconsin supplemental benefits are not payable to any claimant for weeks of unemployment beginning before January 26, 2003. In addition, the bill provides that temporary supplemental benefits are not payable to any claimant for any week in which they would otherwise be payable if the claimant receives extended benefits or other unemployment insurance benefits funded in whole or in part by the federal government for that week or for any other week during the time period that the claimant would otherwise qualify to receive temporary supplemental benefits.

BILL

Currently, contributions are payable by employers under four schedules which establish contribution rates based on an employer's claims (layoff) experience. The schedule that applies for a given year depends on the cash balance in the unemployment reserve fund on June 30 of the preceding year, with higher rates in effect when the balance in the fund is lower. This bill prohibits any change in the contribution schedules from taking effect for the 2003 calendar year regardless of the balance in the unemployment reserve fund on June 30, 2002.

The bill also precludes the council on unemployment insurance and the department of workforce development from recommending to the legislature any reallocation of certain federal financial assistance provided to this state for any purpose other than benefit payments in the 2002 calendar year. In addition, the bill modifies current law to limit the exemption of social security payments from any required offset against unemployment insurance benefit payments to those social security payments that are based in whole or in part on taxes paid by the claimant.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.445 (1) (nc) of the statutes is amended to read:

2 20.445 (1) (nc) *Unemployment insurance administration; special federal*
3 *moneys.* All moneys received from the federal government under section 903 of the
4 federal Social Security Act, as amended, ~~as authorized by the governor under s.~~
5 16.54, for federal fiscal years 2000, and 2001 and the first \$2,389,107 of the moneys
6 received from the federal government under that act for federal fiscal year 2002, as
7 authorized by the governor under s. 16.54, to be used for administration of
8 unemployment insurance.

9 **SECTION 2.** 108.05 (7) (a) 1. of the statutes, as affected by 2001 Wisconsin Act
10 35, is amended to read:

11 108.05 (7) (a) 1. "Pension payment" means a pension, retirement, annuity, or
12 other similar payment made to a claimant, based on the previous work of that
13 claimant, whether or not payable on a periodic basis, from a governmental or other

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1 retirement system maintained or contributed to by an employer from which that
2 claimant has base period wages, other than a payment received under the federal
3 Social Security Act (42 USC 301 et seq.) that is based in whole or in part upon taxes
4 paid by the claimant.

5 SECTION 3. 108.06 (1) of the statutes is amended to read:

6 108.06 (1) Except as provided in sub. (6) and ss. 108.141 ~~and~~, 108.142, and
7 108.143, no claimant may receive total benefits based on employment in a base
8 period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1)
9 or 40% of the claimant's base period wages, whichever is lower. Except as provided
10 in sub. (6) and ss. 108.141 ~~and~~, 108.142, and 108.143, if a claimant's base period
11 wages are reduced or canceled under s. 108.04 (5), ~~(7), (8) (a)~~ or (18), or suspended
12 under s. 108.04 (1) (f), (10) (a), or (17), the claimant may not receive total benefits
13 based on employment in a base period greater than 26 times the claimant's weekly
14 benefit rate under s. 108.05 (1) or 40% of the base period wages not reduced, canceled
15 or suspended which were paid or payable to the claimant, whichever is lower.

16 SECTION 4. 108.06 (1) of the statutes, as affected by 2001 Wisconsin Act (this
17 act), is amended to read:

18 108.06 (1) Except as provided in sub. (6) and ss. 108.141, and 108.142, ~~and~~
19 ~~108.143~~, no claimant may receive total benefits based on employment in a base
20 period greater than 26 times the claimant's weekly benefit rate under s. 108.05 (1)
21 or 40% of the claimant's base period wages, whichever is lower. Except as provided
22 in sub. (6) and ss. 108.141, and 108.142, ~~and 108.143~~, if a claimant's base period
23 wages are reduced or canceled under s. 108.04 (5) or (18), or suspended under s.
24 108.04 (1) (f), (10) (a), or (17), the claimant may not receive total benefits based on
25 employment in a base period greater than 26 times the claimant's weekly benefit rate

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1 under s. 108.05 (1) or 40% of the base period wages not reduced, canceled or
2 suspended which were paid or payable to the claimant, whichever is lower.

3 **SECTION 5.** 108.06 (2) (c) of the statutes is amended to read:

4 108.06 (2) (c) No benefits are payable to a claimant for any week of
5 unemployment not occurring during the claimant's benefit year except under ss.
6 108.141 and, 108.142, and 108.143.

7 **SECTION 6.** 108.06 (2) (c) of the statutes, as affected by 2001 Wisconsin Act
8 (this act), is amended to read:

9 108.06 (2) (c) No benefits are payable to a claimant for any week of
10 unemployment not occurring during the claimant's benefit year except under ss.
11 108.141, and 108.142, and 108.143.

12 **SECTION 7.** 108.06 (2) (cm) of the statutes is amended to read:

13 108.06 (2) (cm) If an employee qualifies to receive benefits using the base period
14 described in s. 108.02 (4) (b), the wages used to compute the employee's benefit
15 entitlement are not available for use in any subsequent benefit computation for the
16 same employee, except under s. 108.141 or, 108.142, or 108.143.

17 **SECTION 8.** 108.06 (2) (cm) of the statutes, as affected by 2001 Wisconsin Act
18 (this act), is amended to read:

19 108.06 (2) (cm) If an employee qualifies to receive benefits using the base period
20 described in s. 108.02 (4) (b), the wages used to compute the employee's benefit
21 entitlement are not available for use in any subsequent benefit computation for the
22 same employee, except under s. 108.141, or 108.142, or 108.143.

23 **SECTION 9.** 108.06 (6) (intro.) of the statutes is amended to read:

24 108.06 (6) (intro.) If a claimant has established a benefit year prior to the
25 effective date of any increase in the maximum weekly benefit rate provided under

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1 s. 108.05 (1), the claimant has not exhausted his or her total benefit entitlement
2 under sub. (1) for that benefit year on that effective date, and the claimant was
3 entitled to receive the maximum weekly benefit rate under s. 108.05 (1) that was in
4 effect prior to that effective date, the limitation on the total benefits authorized to
5 be paid to a claimant under sub. (1) does not apply to that claimant in that benefit
6 year. Unless s. 108.141 ~~or~~, 108.142, ~~or 108.143~~ applies, the claimant's remaining
7 benefit entitlement in that benefit year for the period beginning on that effective date
8 shall be computed by:

9 **SECTION 10.** 108.06 (6) (intro.) of the statutes, as affected by 2001 Wisconsin
10 Act (this act), is amended to read:

11 108.06 (6) (intro.) If a claimant has established a benefit year prior to the
12 effective date of any increase in the maximum weekly benefit rate provided under
13 s. 108.05 (1), the claimant has not exhausted his or her total benefit entitlement
14 under sub. (1) for that benefit year on that effective date, and the claimant was
15 entitled to receive the maximum weekly benefit rate under s. 108.05 (1) that was in
16 effect prior to that effective date, the limitation on the total benefits authorized to
17 be paid to a claimant under sub. (1) does not apply to that claimant in that benefit
18 year. Unless s. 108.141, or 108.142, ~~or 108.143~~ applies, the claimant's remaining
19 benefit entitlement in that benefit year for the period beginning on that effective date
20 shall be computed by:

21 **SECTION 11.** 108.142 (1e) of the statutes is created to read:

22 108.142 (1e) SUSPENSION. No Wisconsin supplemental benefits may be paid for
23 any week of unemployment beginning earlier than January 26, 2003.

24 **SECTION 12.** 108.142 (1e) of the statutes, as created by 2001 Wisconsin Act
25 (this act), is repealed.

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1 **SECTION 13.** 108.143 of the statutes is created to read:

2 **108.143 Temporary supplemental benefits.** (1) **DEFINITIONS.** In this
3 section:

4 (a) "Eligibility period" means the period consisting of the weeks in an
5 individual's benefit year that begin in a temporary supplemental benefit period and,
6 if an individual's benefit year ends within a temporary supplemental benefit period,
7 any week thereafter that begins in a temporary supplemental benefit period in which
8 an individual would have remaining benefit entitlement under this section if the
9 week had begun in the individual's benefit year.

10 (b) "Exhaustee" means an individual who, with respect to any week of
11 unemployment in his or her eligibility period:

12 1. ~~Is eligible to receive as of~~ ^{has received prior to} that week, in his or her benefit year which includes
13 that week, all of the regular benefits that ^{were} potentially payable to that individual
14 under state or federal law, including dependents' allowances, or is precluded from
15 receiving regular benefits by reason of the law of another state which meets the
16 requirement of 26 USC 3304 (a) (7);

17 2. Lacks sufficient base period wages under s. 108.04 (4) (a) or employment or
18 other work under s. 108.04 (4) (c) to establish a benefit year under s. 108.06
19 subsequent to a benefit year which expired prior to that week, and in the temporary
20 supplemental benefit period which includes that week;

21 3. Has no right to unemployment assistance under the Railroad
22 Unemployment Insurance Act or other federal laws as are specified in regulations
23 of the federal department of labor, and has not received and is not applying for
24 unemployment insurance under the laws of Canada, unless the individual is

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1 applying for that insurance and the appropriate Canadian agency finally determines
2 that he or she is not entitled to that insurance; and

3 4. Is not eligible to receive for that week and was not eligible to receive for any
4 earlier week in his or her eligibility period extended benefits under s. 108.141 or
5 other supplemental unemployment assistance funded in whole or in part by the
6 federal government that is determined by the secretary of workforce development to
7 serve as an unemployment insurance benefit program.

8 (c) "Regular benefits" means unemployment insurance benefits payable to an
9 individual under state law or federal law, including benefits payable to federal
10 civilian employees and to ex-servicemen under 5 USC ch. 85, other than extended
11 benefits under s. 108.141, federal supplemental compensation, and Wisconsin
12 supplemental benefits under s. 108.142.

13 (d) "State law" means the unemployment insurance law of any state, approved
14 by the federal secretary of labor under 26 USC 3304.

15 (e) "Temporary supplemental benefit period" means the period beginning on
16 March ^{3, 2002} ~~11, 2001~~, and ending on December 28, 2002.

17 (f) "Temporary supplemental benefits" means benefits payable to an individual
18 under this section for weeks of unemployment in his or her eligibility period.

19 (2) ELIGIBILITY REQUIREMENTS FOR TEMPORARY SUPPLEMENTAL BENEFITS. An
20 individual is eligible to receive temporary supplemental benefits for any week of
21 unemployment beginning on or after March 3, 2002, and ending on or before
22 December 28, 2002, if:

23 (a) That week is in the individual's eligibility period;

24 (b) The individual established a benefit year which began on or after March 11,
25 2001;

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1 (c) The individual is an exhaustee; and

2 (d) The individual is not disqualified and has satisfied the other requirements
3 of this chapter for the payment of regular benefits.

4 **(3) RECEIPT OF REGULAR BENEFITS.** For purposes of this section, an individual
5 is considered to have received all regular benefits that were available to the
6 individual in his or her benefit year which includes any week of unemployment in
7 his or her eligibility period notwithstanding that:

8 (a) The individual may subsequently be determined to be entitled to additional
9 regular benefits as a result of a pending appeal under s. 108.09 or 108.10 which were
10 not included in the determination or decision under appeal; or

11 (b) The individual is precluded from receiving regular benefits by reason of a
12 seasonal limitation in the law of another state.

13 **(4) WEEKLY TEMPORARY SUPPLEMENTAL BENEFIT RATE.** The weekly temporary
14 supplemental benefit rate payable to a claimant for a week of total unemployment
15 is the same as the rate payable to the claimant for regular benefits during his or her
16 most recent benefit year as determined under s. 108.05 (1). No subsequent
17 adjustment of the benefit rates in the schedules under s. 108.05 (1) applies to benefits
18 payable under this section.

19 **(5) MAXIMUM TEMPORARY SUPPLEMENTAL BENEFIT ENTITLEMENT.** No claimant may
20 receive total temporary supplemental benefits greater than the lesser of:

21 (a) Fifty percent of the amount of regular benefits that were payable to the
22 claimant in the claimant's most recent benefit year, rounded down to the nearest
23 dollar; or

24 (b) Eight times the claimant's weekly temporary supplemental benefit rate.

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1 (6) EFFECT OF OTHER PROVISIONS OF THIS CHAPTER. The provisions of this chapter
2 which apply to claims for, or the payment of, regular benefits apply to claims for, and
3 the payment of, temporary supplemental benefits, except when the result would be
4 inconsistent with other provisions of this chapter.

5 (7) CHARGES OF BENEFITS. The department shall charge to the fund's balancing
6 account the cost of temporary supplemental benefits paid to a claimant that are
7 otherwise chargeable to the account of an employer that is subject to the contribution
8 requirements of ss. 108.17 and 108.18. The department shall charge the cost of
9 temporary supplemental benefits based upon employment by an employer that is not
10 subject to the contribution requirements of ss. 108.17 and 108.18 in accordance with
11 s. 108.07 (5).

12 SECTION 14. 108.143 of the statutes, as created by 2001 Wisconsin Act (this
13 act), is repealed.

14 SECTION 15. 108.161 (3e) of the statutes is amended to read:

15 108.161 (3e) Notwithstanding sub. (3), any moneys allocated under section 903
16 ~~of~~ of the federal Social Security Act ^{as amended} for federal fiscal years 2000, ^{and} 2001 ^{and} 2002 ^{the first}
17 shall be used solely for unemployment insurance administration. ^{\$ 2,389,107}

18 SECTION 16. 108.18 (3s) of the statutes is created to read:

19 108.18 (3s) SUSPENSION OF SCHEDULE CHANGES. Notwithstanding sub. (3m), the ^{under}
20 schedule in effect under sub. (3m) for the 2003 calendar year is the same schedule ^{section 903}
21 that was in effect under sub. (3m) for the 2002 calendar year. ^{of that act}

22 SECTION 17. 108.18 (3s) of the statutes, as created by 2001 Wisconsin Act ⁱⁿ
23 (this act), is repealed. ^{federal}

24 SECTION 18. 2001 Wisconsin Act 35, section 72 (1) (b) is amended to read: ^{fiscal year}

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1 [2001 Wisconsin Act 35] Section 72 (1) (b) Notwithstanding section 108.04
2 108.05 (7), 1999 stats., for each week of unemployment beginning in 2002, if a
3 claimant receives a payment under the federal Social Security Act (42 USC 301, et
4 seq.) that is contributed to by an employer from which the claimant has base period
5 wages, the reduction that applies to the benefits payable to the claimant for that
6 week is 50% of the amount that would otherwise apply for that week under section
7 108.04 108.05 (7), 1999 stats.

SECTION 19. Nonstatutory provisions.

8
9 (1) USE OF CERTAIN FEDERAL REED ACT DISTRIBUTIONS IN THE 2002 CALENDAR YEAR.

10 The council on unemployment insurance and the department of workforce
11 development may not include in any recommendations to the legislature during the
12 2002 calendar year the appropriation ^{other than} ~~for~~ the first \$2,389,107 of any distributions
13 received by this state under section 903 of the federal Social Security Act, as
14 amended, in the 2002 calendar year.

15 **SECTION 20. Effective dates.** This act takes effect on the first Sunday after
16 publication, except as follows:

17 (1) The treatment of sections 108.06 (1) (by SECTION 4), (2) (c) (by SECTION 6) and
18 (cm) (by SECTION 8), and (6) (intro.) (by SECTION 10), 108.142 (1e) (by SECTION 12),
19 108.143 (by SECTION 14), and 108.18 (3s) (by SECTION 17) of the statutes takes effect
20 on January 1, 2004.

21 (END)

Barman, Mike

From: Kho, Michelle
Sent: Friday, January 18, 2002 3:21 PM
To: LRB.Legal
Cc: Rostan, Jason
Subject: Instructions for delivery of jacketed version of LRB-4679

Please send assembly jacketed version of LRB-4679 to Representative Hundertmark's office (Attn: Jason Rostan) as soon as it is ready (presumably this afternoon). Thank you.

Michelle Kho
Attorney, Unemployment Insurance Division
(608) 266-6684

Emery, Lynn

From: Emery, Lynn
Sent: Friday, January 18, 2002 3:59 PM
To: Kho, Michelle
Subject: LRB-4679/4 (attached) (has been jacketed)

Lynn Emery

Lynn Emery - Program Asst. (PH. 608-266-3561)
(E-Mail: lynn.emery@legis.state.wi.us) (FAX: 608-264-6948)

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