



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2007 Wisconsin Act 59
[2007 Senate Bill 431]

Unemployment Insurance

2007 Wisconsin Act 59 makes changes to the state's unemployment insurance (UI) law. The Act is the result of recommendations by the Unemployment Insurance Advisory Council. The major provisions of the Act are summarized below.

- The Act increases the maximum weekly benefit rate by \$8, beginning on January 4, 2009.
- The Act increases the taxable wage base to \$12,000 for 2009 and 2010; \$13,000 for 2011 and 2012; and \$14,000 for 2013 and thereafter. Under current law, the taxable wage base is the first \$10,500 of wages paid by an employer to an individual during each calendar year.
- The Act requires that a claimant have combined base period wages equal to at least 35 times the claimant's weekly benefit rate to be eligible for UI benefits. Under current law, a claimant must have combined base period wages equal to at least 30 times the claimant's weekly benefit rate to be eligible for UI benefits.
- The Act provides that if an employee is absent from work with a current employer for 16 hours or less in a week because the employee is unable to work or unavailable for work, the employee may be eligible for reduced UI benefits for that week. If an employee is absent from work for more than 16 hours in a week, the employee is ineligible for UI benefits for that week.
- The Act repeals the 2010 sunset of the provision in current law that provides that an employee who is discharged for failing to notify his or her employer of absenteeism or tardiness may be ineligible to receive UI benefits for a specified period of time.
- The Act provides that if an employee is not disqualified for UI benefits for absenteeism or tardiness, the employee may nevertheless be subject to disqualification for misconduct.
- Under current law, an individual who is employed by a corporation, partnership, or limited liability company in which the individual's spouse or child, or the individual's parent if the individual is under age 18, owns or controls a significant interest may be eligible for limited UI benefits. The Act removes "child" from this provision, thus making an individual eligible

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

for full UI benefits if the individual is employed by an entity in which the individual's child owns or controls a significant interest.

- The Act increases the penalties for claimants who commit UI fraud and for employers that aid and abet UI fraud.
- The Act decreases the contribution rate for employers with a positive account balance by 0.2% and for employers with a negative account balance by 0.4%. The Act also increases the solvency rate for employers with a positive account balance by 0.2% and for employers with a negative account balance by 0.4%.
- The Act extends the option of using \$1,000,000 in Reed Act funds in 2008 and 2009.
- The Act extends the administrative assessment until 2010.
- The Act provides that an employer with 1st quarter contribution liability of \$1,000 or more may elect to defer payment of not more than 60% of its 1st quarter contribution liability to later due dates. Under current law, an employer with 1st quarter contribution liability of \$5,000 or more may defer payment.
- The Act requires that employers with 25 or more employees file contribution and quarterly reports electronically. Under current law, employers with 50 or more employees must file electronically.
- The Act requires that each employer with contributions of at least \$10,000 for any 12-month period ending on June 30 and each employer agent pay contributions by electronic funds transfer.
- The Act allows the Department of Workforce Development (DWD) to provide an electronic means for an employer that files its reports electronically to determine the amount of contributions due for each quarter. DWD may also require that an employer use the electronic means to determine the amount of contributions due.
- The Act requires that reports and payments be received by DWD no later than the due date. Under current law, reports and payments, if mailed, must be postmarked no later than the due date or received by DWD no later than three days after the due date.
- The Act provides that, in a hearing before an appeal tribunal, a DWD record relating to a claim for benefits constitutes prima facie evidence of and is admissible to prove that an employer provided or failed to provide complete and correct information to DWD.
- The Act repeals the 2008 sunset of the provision under current law that provides that if an employer fails to provide correct and complete information during a fact-finding investigation, the employer is at fault and may be liable for certain benefits.
- The Act requires that the Unemployment Insurance Advisory Council appoint a committee to study the definition of "employee." The committee must report its recommendations to the Unemployment Insurance Advisory Council by June 30, 2009.

Effective Date: The Act takes effect on March 23, 2008, but various provisions of the Act first apply on later dates.

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