

HB 1066 -- EMPLOYER'S UNEMPLOYMENT COMPENSATION ACCOUNT CHARGES

SPONSOR: McGhee

COMMITTEE ACTION: Voted "do pass" by the Committee on Workforce Development and Workplace Safety by a vote of 10 to 0.

This bill increases from \$400 to \$1,500 the minimum amount of gross wages that an employer must pay to an employee in the employee's base period before the employer's unemployment compensation account will be charged.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROponents: Supporters say that the \$400 threshold amount has been in the statutes since the mid-1970's when the minimum wage was \$1.20 an hour. The threshold should be updated to reflect the difference in the value of money since that time. This is very hard on small business owners with low profit margins and high employee turnover; even though the employer objects or appeals and often wins, it is time-consuming and can be costly.

Testifying for the bill were Representative McGhee; Don Lawson; Chris Fletchall; and Missouri Association of School Administrators.

OPponents: Those who oppose the bill say that Missouri already is one of the lowest-ranked states in the country in terms of the number of weeks of unemployment benefits paid and the amount of the weekly benefit award. The weekly benefit would not be very much on wages of \$400.

Testifying against the bill was Missouri AFL-CIO.