

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 649

101ST GENERAL ASSEMBLY

1496H.02P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 288.060 as enacted by house bill no. 150, ninety-eighth general assembly, first regular session, and section 288.060 as enacted by house bill no. 163, ninety-sixth general assembly, first regular session, and to enact in lieu thereof three new sections relating to employment security, with delayed effective dates.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 288.060 as enacted by house bill no. 150, ninety-eighth general assembly, first regular session, and section 288.060 as enacted by house bill no. 163, ninety-sixth general assembly, first regular session, are repealed and three new sections enacted in lieu thereof, to be known as sections 288.060, 288.104, and 288.405 to read as follows:

288.060. 1. All benefits shall be paid through employment offices in accordance with such regulations as the division may prescribe.

2. Each eligible insured worker who is totally unemployed in any week shall be paid for such week a sum equal to his or her weekly benefit amount.

3. Each eligible insured worker who is partially unemployed in any week shall be paid for such week a partial benefit. Such partial benefit shall be an amount equal to the difference between his or her weekly benefit amount and that part of his or her wages for such week in excess of twenty dollars, and, if such partial benefit amount is not a multiple of one dollar, such amount shall be reduced to the nearest lower full dollar amount. For calendar year 2007 and each year thereafter, such partial benefit shall be an amount equal to the difference between his or her weekly benefit amount and that part of his or her wages for such week in excess of twenty dollars or twenty percent of his or her weekly benefit amount, whichever is greater, and, if such partial benefit amount is not a multiple of one dollar, such amount shall be reduced to the nearest

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 lower full dollar amount. Pay received by an eligible insured worker who is a member of the
15 organized militia for training or duty authorized by Section 502(a)(1) of Title 32, United States
16 Code, shall not be considered wages for the purpose of this subsection.

17 4. The division shall compute the wage credits for each individual by crediting him or
18 her with the wages paid to him or her for insured work during each quarter of his or her base
19 period or twenty-six times his or her weekly benefit amount, whichever is the lesser. In addition,
20 if a claimant receives wages in the form of termination pay or severance pay and such payment
21 appears in a base period established by the filing of an initial claim, the claimant may, at his or
22 her option, choose to have such payment included in the calendar quarter in which it was paid
23 or choose to have it prorated equally among the quarters comprising the base period of the claim.
24 For the purpose of this section, wages shall be counted as wage credits for any benefit year, only
25 if such benefit year begins subsequent to the date on which the employing unit by whom such
26 wages were paid has become an employer. The wage credits of an individual earned during the
27 period commencing with the end of a prior base period and ending on the date on which he or
28 she filed an allowed initial claim shall not be available for benefit purposes in a subsequent
29 benefit year unless, in addition thereto, such individual has subsequently earned either wages for
30 insured work in an amount equal to at least five times his or her current weekly benefit amount
31 or wages in an amount equal to at least ten times his or her current weekly benefit amount.

32 5. The duration of benefits payable to any insured worker during any benefit year shall
33 be limited to:

34 (1) Twenty weeks if the Missouri average unemployment rate is **higher than** nine
35 percent ~~[or higher]~~;

36 (2) Nineteen weeks if the Missouri average unemployment rate is ~~[between]~~ **higher than**
37 eight and one-half percent ~~[and]~~ **but no higher than** nine percent;

38 (3) Eighteen weeks if the Missouri average unemployment rate is **higher than** eight
39 percent ~~[up to and including]~~ **but no higher than** eight and one-half percent;

40 (4) Seventeen weeks if the Missouri average unemployment rate is ~~[between]~~ **higher**
41 **than** seven and one-half percent ~~[and]~~ **but no higher than** eight percent;

42 (5) Sixteen weeks if the Missouri average unemployment rate is **higher than** seven
43 percent ~~[up to and including]~~ **but no higher than** seven and one-half percent;

44 (6) Fifteen weeks if the Missouri average unemployment rate is ~~[between]~~ **higher than**
45 six and one-half percent ~~[and]~~ **but no higher than** seven percent;

46 (7) Fourteen weeks if the Missouri average unemployment rate is **higher than** six
47 percent ~~[up to and including]~~ **but no higher than** six and one-half percent;

48 (8) Thirteen weeks if the Missouri average unemployment rate is **higher than five and**
49 **one-half percent but no higher than** ~~[below]~~ six percent; **and**

50 **(9) Twelve weeks if the Missouri average unemployment rate is at or below five and**
51 **one-half percent.**

52

53 As used in this subsection, the phrase "Missouri average unemployment rate" means the average
54 **of the six most recently reported months** of the seasonally adjusted statewide unemployment
55 rates as published by the United States Department of Labor, Bureau of Labor Statistics~~], for the~~
56 ~~time periods of January first through March thirty-first and July first through September thirtieth.~~
57 ~~The average of the seasonally adjusted statewide unemployment rates for the time period of~~
58 ~~January first through March thirty-first shall be effective on and after July first of each year and~~
59 ~~shall be effective through December thirty-first. The average of the seasonally adjusted~~
60 ~~statewide unemployment rates for the time period of July first through September thirtieth shall~~
61 ~~be effective on and after January first of each year and shall be effective through June thirtieth;~~
62 ~~and~~

63 ~~—(9) The provisions of this subsection shall become effective January 1, 2016] or the~~
64 **most recently reported month's unemployment rate, whichever is greater, when the worker**
65 **applies for such benefits.**

66 6. In the event that benefits are due a deceased person and no petition has been filed for
67 the probate of the will or for the administration of the estate of such person within thirty days
68 after his or her death, the division may by regulation provide for the payment of such benefits
69 to such person or persons as the division finds entitled thereto and every such payment shall be
70 a valid payment to the same extent as if made to the legal representatives of the deceased.

71 7. The division is authorized to cancel any benefit warrant remaining outstanding and
72 unpaid one year after the date of its issuance and there shall be no liability for the payment of any
73 such benefit warrant thereafter.

74 8. The division may establish an electronic funds transfer system to transfer directly to
75 claimants' accounts in financial institutions benefits payable to them pursuant to this chapter.
76 To receive benefits by electronic funds transfer, a claimant shall satisfactorily complete a direct
77 deposit application form authorizing the division to deposit benefit payments into a designated
78 checking or savings account. Any electronic funds transfer system created pursuant to this
79 subsection shall be administered in accordance with regulations prescribed by the division.

80 9. The division may issue a benefit warrant covering more than one week of benefits.

81 10. Prior to January 1, 2005, the division shall institute procedures including, but not
82 limited to, name, date of birth, and Social Security verification matches for remote claims filing
83 via the use of telephone or the internet in accordance with such regulations as the division shall
84 prescribe. At a minimum, the division shall verify the Social Security number and date of birth
85 when an individual claimant initially files for unemployment insurance benefits. If verification

86 information does not match what is on file in division databases to what the individual is stating,
 87 the division shall require the claimant to submit a division-approved form requesting an affidavit
 88 of eligibility prior to the payment of additional future benefits. The division of employment
 89 security shall cross-check unemployment compensation applicants and recipients with Social
 90 Security Administration data maintained by the federal government at least weekly. The division
 91 of employment security shall cross-check at least monthly unemployment compensation
 92 applicants and recipients with department of revenue drivers license databases.

93 **11. The division may promulgate all necessary rules and regulations for the**
 94 **administration of this section. Any rule or portion of a rule, as that term is defined in**
 95 **section 536.010, that is created under the authority delegated in this section shall become**
 96 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
 97 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**
 98 **of the powers vested with the general assembly pursuant to chapter 536 to review, to delay**
 99 **the effective date, or to disapprove and annul a rule are subsequently held**
 100 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
 101 **after the effective date of this act shall be invalid and void.**

2 ~~[288.060. 1. All benefits shall be paid through employment offices in~~
 3 ~~accordance with such regulations as the division may prescribe.~~
 4 ~~2. Each eligible insured worker who is totally unemployed in any week~~
 5 ~~shall be paid for such week a sum equal to his or her weekly benefit amount.~~
 6 ~~3. Each eligible insured worker who is partially unemployed in any week~~
 7 ~~shall be paid for such week a partial benefit. Such partial benefit shall be an~~
 8 ~~amount equal to the difference between his or her weekly benefit amount and that~~
 9 ~~part of his or her wages for such week in excess of twenty dollars, and, if such~~
 10 ~~partial benefit amount is not a multiple of one dollar, such amount shall be~~
 11 ~~reduced to the nearest lower full dollar amount. For calendar year 2007 and each~~
 12 ~~year thereafter, such partial benefit shall be an amount equal to the difference~~
 13 ~~between his or her weekly benefit amount and that part of his or her wages for~~
 14 ~~such week in excess of twenty dollars or twenty percent of his or her weekly~~
 15 ~~benefit amount, whichever is greater, and, if such partial benefit amount is not a~~
 16 ~~multiple of one dollar, such amount shall be reduced to the nearest lower full~~
 17 ~~dollar amount. Termination pay, severance pay, or pay received by an eligible~~
 18 ~~insured worker who is a member of the organized militia for training or duty~~
 19 ~~authorized by Section 502(a)(1) of Title 32, United States Code, shall not be~~
 20 ~~considered wages for the purpose of this subsection.~~
 21 ~~4. The division shall compute the wage credits for each individual by~~
 22 ~~crediting him or her with the wages paid to him or her for insured work during~~
 23 ~~each quarter of his or her base period or twenty-six times his or her weekly~~
 24 ~~benefit amount, whichever is the lesser. In addition, if a claimant receives wages~~
 in the form of termination pay or severance pay and such payment appears in a

25 ~~base period established by the filing of an initial claim, the claimant may, at his~~
26 ~~or her option, choose to have such payment included in the calendar quarter in~~
27 ~~which it was paid or choose to have it prorated equally among the quarters~~
28 ~~comprising the base period of the claim. The maximum total amount of benefits~~
29 ~~payable to any insured worker during any benefit year shall not exceed twenty~~
30 ~~times his or her weekly benefit amount, or thirty-three and one-third percent of~~
31 ~~his or her wage credits, whichever is the lesser. For the purpose of this section,~~
32 ~~wages shall be counted as wage credits for any benefit year, only if such benefit~~
33 ~~year begins subsequent to the date on which the employing unit by whom such~~
34 ~~wages were paid has become an employer. The wage credits of an individual~~
35 ~~earned during the period commencing with the end of a prior base period and~~
36 ~~ending on the date on which he or she filed an allowed initial claim shall not be~~
37 ~~available for benefit purposes in a subsequent benefit year unless, in addition~~
38 ~~thereto, such individual has subsequently earned either wages for insured work~~
39 ~~in an amount equal to at least five times his or her current weekly benefit amount~~
40 ~~or wages in an amount equal to at least ten times his or her current weekly benefit~~
41 ~~amount.~~

42 ~~5. In the event that benefits are due a deceased person and no petition has~~
43 ~~been filed for the probate of the will or for the administration of the estate of such~~
44 ~~person within thirty days after his or her death, the division may by regulation~~
45 ~~provide for the payment of such benefits to such person or persons as the division~~
46 ~~finds entitled thereto and every such payment shall be a valid payment to the~~
47 ~~same extent as if made to the legal representatives of the deceased.~~

48 ~~6. The division is authorized to cancel any benefit warrant remaining~~
49 ~~outstanding and unpaid one year after the date of its issuance and there shall be~~
50 ~~no liability for the payment of any such benefit warrant thereafter.~~

51 ~~7. The division may establish an electronic funds transfer system to~~
52 ~~transfer directly to claimants' accounts in financial institutions benefits payable~~
53 ~~to them pursuant to this chapter. To receive benefits by electronic funds transfer,~~
54 ~~a claimant shall satisfactorily complete a direct deposit application form~~
55 ~~authorizing the division to deposit benefit payments into a designated checking~~
56 ~~or savings account. Any electronic funds transfer system created pursuant to this~~
57 ~~subsection shall be administered in accordance with regulations prescribed by the~~
58 ~~division.~~

59 ~~8. The division may issue a benefit warrant covering more than one week~~
60 ~~of benefits.~~

61 ~~9. Prior to January 1, 2005, the division shall institute procedures~~
62 ~~including, but not limited to, name, date of birth, and Social Security verification~~
63 ~~matches for remote claims filing via the use of telephone or the internet in~~
64 ~~accordance with such regulations as the division shall prescribe. At a minimum,~~
65 ~~the division shall verify the Social Security number and date of birth when an~~
66 ~~individual claimant initially files for unemployment insurance benefits. If~~
67 ~~verification information does not match what is on file in division databases to~~

68 ~~what the individual is stating, the division shall require the claimant to submit a~~
69 ~~division-approved form requesting an affidavit of eligibility prior to the payment~~
70 ~~of additional future benefits. The division of employment security shall~~
71 ~~cross-check unemployment compensation applicants and recipients with Social~~
72 ~~Security Administration data maintained by the federal government at least~~
73 ~~weekly. The division of employment security shall cross-check at least monthly~~
74 ~~unemployment compensation applicants and recipients with department of~~
75 ~~revenue drivers license databases.]~~
76

**288.104. 1. This section shall be known and may be cited as the "Employment
2 Security Program Integrity Act of 2021".**

3 2. As used in this section, the following terms mean:

4 (1) "Department of corrections", the Missouri department of corrections;

**5 (2) "Division", the division of employment security of the Missouri department of
6 labor and industrial relations;**

**7 (3) "Employment security rolls", the list of all persons currently receiving
8 employment security benefits under this chapter, to be kept and updated by the division;**

**9 (4) "Integrity Data Hub", the Integrity Data Hub designed and published by the
10 UI Integrity Center of the National Association of State Workforce Agencies (NASWA);**

**11 (5) "New-hire records", the directory of newly hired and rehired employees
12 reported under applicable state and federal laws.**

**13 3. The division shall engage with and utilize the Integrity Data Hub to ensure the
14 integrity of the state's employment security rolls. The division may also utilize other
15 government or commercially available services to achieve the purposes of this act.**

**16 4. The division shall, on a weekly basis, check its employment security rolls against
17 a list of incarcerated individuals, which shall be provided to the division by the department
18 of corrections, to verify the eligibility of benefit claimants and to ensure the overall
19 integrity of the state's employment security program.**

**20 5. The division shall, on a weekly basis, check its new-hire records against the
21 records contained in the National Directory of New Hires in order to verify the eligibility
22 of the individuals named in the division's new-hire records.**

**23 6. (1) The division shall adopt and implement internal administrative policies to
24 prioritize and pursue the recovery of fraudulent or otherwise improper employment
25 security benefit overpayments to the fullest extent allowable under applicable state and
26 federal law. The division shall, without exception, attempt to recover all outstanding
27 employment security benefit overpayments unless doing so would violate state or federal
28 law.**

29 (2) The division shall maintain records of all of its attempts to recover employment
30 security benefit overpayments. The division shall issue a written report to the general
31 assembly each year, no later than December thirty-first, describing improper employment
32 security benefit payments and their recovery, the extent to which any improper
33 employment security benefit payments have not been corrected or recovered, and the
34 reasons for the failure of the division to secure such correction or recovery.

35 (3) The division shall issue a written report to the general assembly each year, no
36 later than December thirty-first, on the efficacy of employment security fraud detection
37 and on the measures taken by the division to prevent employment security fraud.

38 7. The division is hereby authorized to execute a memorandum of understanding
39 with any governmental entity of this state in order to share and receive such information
40 as may be necessary for the division to administer the provisions of this section.

41 8. If the division receives information relating to an individual who has been found
42 eligible for employment security benefits and such information indicates a change in
43 circumstances that could affect the individual's eligibility, the division shall review the
44 individual's eligibility case.

45 9. The division may promulgate all necessary rules and regulations for the
46 administration of this section. Any rule or portion of a rule, as that term is defined in
47 section 536.010, that is created under the authority delegated in this section shall become
48 effective only if it complies with and is subject to all of the provisions of chapter 536 and,
49 if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any
50 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay
51 the effective date, or to disapprove and annul a rule are subsequently held
52 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
53 after the effective date of this section shall be invalid and void.

288.405. 1. This section shall be known and may be cited as the "Employment
2 Security Business Tax Reform Act of 2021".

3 2. For purposes of this section, the following terms mean:

4 (1) "Employee", the same definition as provided under 287.020;

5 (2) "New business", any individual, corporation, limited liability company, firm,
6 partnership, voluntary association, joint-stock association, or other business organization,
7 or the state of Missouri or any department, agency, or political subdivision thereof;
8 provided that, such business employs one or more workers and such business has not been
9 assigned an experience rating under this chapter;

10 **(3) "Qualifying number of hours", one thousand five hundred hours per full**
11 **calendar year, adjusted proportionally downward based on the percentage of a calendar**
12 **year for which an employee was actually employed by a new business.**

13 **3. Notwithstanding any provision of law to the contrary, a new business shall be**
14 **experience-rated under the applicable provisions of this chapter twelve months after the**
15 **date on which the new business first hires an employee who works a qualifying number of**
16 **hours for the new business.**

17 **4. The division of employment security shall promulgate all necessary rules and**
18 **regulations for the administration of this section. Any rule or portion of a rule, as that**
19 **term is defined in section 536.010, that is created under the authority delegated in this**
20 **section shall become effective only if it complies with and is subject to all of the provisions**
21 **of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are**
22 **nonseverable, and if any of the powers vested with the general assembly pursuant to**
23 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**
24 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
25 **proposed or adopted after the effective date of this section shall be invalid and void.**

 Section B. The repeal of section 288.060 as enacted by house bill no. 163, ninety-sixth
2 general assembly, first regular session, and the repeal and reenactment of section 288.060 as
3 enacted by house bill no. 150, ninety-eighth general assembly, first regular session, of this act
4 shall become effective on January 1, 2022.

 Section C. The enactment of sections 288.104 and 288.405 of Section A of this act shall
2 become effective on January 1, 2022.

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