

HB 288 -- UNEMPLOYMENT COMPENSATION

SPONSOR: Fitzpatrick

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Employment Security by a vote of 8 to 5. Voted "Do Pass" by the Committee on Rules- Administrative Oversight by a vote of 9 to 5.

This bill changes the laws regarding unemployment compensation. Currently, the maximum total amount of benefits any insured worker may receive during any benefit year must not exceed 20 times his or her weekly benefit amount or 33 1/3% of his or her wage credits. This bill repeals that provision and, beginning January 1, 2018, limits benefits based upon a sliding scale from 13 weeks if the Missouri average unemployment rate is below 6%, to 20 weeks if the Missouri average unemployment rate is 9% or higher.

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

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

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

PROPONENTS: Supporters say that the provisions of this bill will index the weekly cap on benefits to the state unemployment rate and result in savings to the state Unemployment Fund. In addition, it will reduce the possibility of the state having to borrow funds from the federal government. The increased amount in the fund will ensure the safety net is there for those that need it.

Testifying for the bill were Representative Fitzpatrick; Missouri Chamber of Commerce and Industry; National Federation of Independent Business; Cerner Corporation; Associated Industries of Missouri; Missouri Retailers Association; and Missouri Grocers

Association.

OPPONENTS: Those who oppose the bill say that 13 weeks is too short as a laid off union employee is required by contract to return to work after the layoff and it is difficult to find a short term job for the layoff period. In addition, this would have a greater impact on seasonal workers.

Testifying against the bill were Alise Martiny, Greater Kansas City Building Trades Council; Louie Brinkoetter Jr., I.B.E.W. Local #124; and Richard Craighead, United Steelworkers District 11.

This bill is similar to HB 150 (2015).