

HB 2877 -- UNEMPLOYMENT ADMINISTRATION ADJUSTMENTS

SPONSOR: Voss

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Government Efficiency by a vote of 18 to 1.

This bill creates the "Unemployment Administration Adjustment Fund" in the State Treasury that will be used solely for the purpose of defraying the costs of the administration of the Missouri Employment Security law.

This bill requires each employer liable for contributions pursuant to the unemployment compensation law to pay an annual unemployment administration adjustment in an amount equal to five one-hundredths of one percent of the employer's total taxable wages for the 12-month period ending the preceding June 30.

The bill specifies that if the September 30th balance of the unemployment administration adjustment fund is \$40 million dollars or more, or if the average balance of the unemployment compensation trust fund of the four preceding quarters, as specified in the bill, is less than \$450 million no unemployment administration adjustment will be applied in the next calendar year.

Each employer liable to pay an unemployment administration adjustment will be notified of the amount due under this provision by March 31 of each year and the amount will be considered delinquent 30 days thereafter.

This bill is the same as SB 1399 (2026).

PROPOSERS: Supporters say that under normal circumstances, when a government agency falls short on necessary funds, it seeks support from the General Revenue Fund. Supporters state that the creation of this new fund would ensure that the Division of Employment Security, within the Department of Labor and Industrial Relations, does not have to rely upon the General Revenue Fund in the future. Supporters also state that if a shortfall occurs in any agency, the taxpayers should not be required to make them whole. This bill would create a self-sustaining fund, provide a more responsible way in which to handle government money, but does not increase any costs to employers.

Testifying in person for the bill were Representative Voss; Associated Industries of Missouri; and Allen Andrews, Division of Employment Security.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.