GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

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Sponsors:

Short Title: Eliminate UI Waiting Period.

SENATE BILL 741

Commerce, Small Business and Entrepreneurship Committee Substitute Adopted 5/14/07

	Referred to:	
		March 14, 2007
1		A BILL TO BE ENTITLED
2	AN ACT ELIMINAT	ING THE WAITING PERIOD FOR UNEMPLOYMENT
3	BENEFITS UNDE	R THE EMPLOYMENT SECURITY LAWS OF NORTH
4	CAROLINA AND	TO AMEND THE LAW GOVERNING ADVANCE
5	PAYMENTS BY NO	ONPROFIT ORGANIZATIONS AND INDIAN TRIBES.
6		of North Carolina enacts:
7		G.S. 96-13 is amended by adding a new subsection to read:
8	· · · ·	separated claims filed on and after January 1, 2008, the waiting
9		be required of any claimant who has filed and received
10		for five consecutive compensable weeks."
11		G.S. 96-9(d) reads as rewritten:
12		to employees of nonprofit organizations shall be financed in
13		ovisions of this paragraph. For the purposes of this paragraph, a
14		is an organization (or group of organizations) described in
15		Internal Revenue Code that is exempt from income tax under
16 17	section 501(a) of the Int (1)	
17		Any nonprofit organization which becomes subject to this Chapter on or after Japuary 1, 1072, shall new contributions
18 19		Chapter on or after January 1, 1972, shall pay contributions under the provisions of this Chapter, unless it elects in
20		accordance with this paragraph to pay the Commission for the
20 21		Unemployment Insurance Fund an amount equal to the amount
21		of regular benefits and of one half of the extended benefits paid,
23		that is attributable to service in the employ of such nonprofit
24		organization, to individuals for weeks of unemployment which
25		begin within a benefit year established during the effective
26		period of such election.
2 7		Any nonprofit organization which is or becomes subject to this
28		Chapter on or after January 1, 1972, may elect to become liable
		1 , , , , ,

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(Public)

1 2 3 4 5 6 7 8 9 10 11		for payments in lieu of contributions for a period of not less than four calendar years beginning with the date on which subjectivity begins by filing a written notice of its election with the Commission not later than 30 days immediately following the date of written notification of the determination of such subjectivity. Provided if notification is not by registered mail, the election may be made on or after January 1, 1972, within six months following the date of the written notification of the determination of such subjectivity. If such election is not made as set forth herein, no election can be made until after four calendar years have elapsed under the contributions method of
12		payment.
13	с.	Any nonprofit organization which makes an election in
14 15		accordance with subparagraph b of this paragraph will continue after such four calendar years to be liable for payments in lieu
16		of contributions until it files with the Commission a written
17		notice terminating its election not later than 30 days prior to the
18		next January 1, effective on such January 1. Provided, however,
19		no employer granted or in reimbursement status will be allowed
20		refund of any previous balances used in a transfer to
21		reimbursement status.
22	d.	Any nonprofit organization which has been paying
23		contributions under this Chapter for a period of at least four
24		consecutive calendar years subsequent to January 1, 1972, may
25		elect to change to a reimbursement basis by filing with the
26		Commission not later than 30 days prior to the next January 1 a
27		written notice of election to become liable for payments in lieu
28		of contributions, effective on such January 1. Such election
29		shall not be terminable for a period of four calendar years. In
30		the event of such an election, the account of such employer
31		shall be closed and shall not be used in any future computation
32		of such employer's contribution rate in any manner whatsoever.
33		Provided, however, any nonprofit employer formerly paying
34		contributions who elects and qualifies to change to a
35		reimbursement basis may be relieved of the requirement to pay
36		one percent (1%) of taxable wages as required by
37		G.S. 96-9(d)(2)a to the following extent and upon the following
38		conditions:
39		1. Any nonprofit employer which has, for the year the
40		election will be effective, an experience rating of 1.7 or
41		less, will have transferred from its experience rating
42		account an amount equal to one percent (1%) of its
43		payroll as reported for each of the four calendar quarters
44		which constitute the election year;

 election will be effective, an experience rating of than 2.7 but more than 1.7, will have transferred froexperience rating account an amount equal to one have one percent (.5%) of its payroll as reported for each the four calendar quarters which constitute the ele year. Such employers shall make advance payment the Commission quarterly, computed at one half of percent (.5%) of the taxable wages reported as provin G.S. 96 9(d)(2)a; Any nonprofit employer which has, for the year election will become effective, an experience rating 2.7 or more, upon electing to change to a reimburse basis, will meet all the requirements of G.S. 96 9(d) including making advance payments computed at percent (1%) of taxable wages. e. The Commission, in accordance with such regulations as it adopt, shall notify each nonprofit organization of determination which it may make of its status as an emp and of the effective date of any election which it makes at a percent computed at one for the effective date of any election which it makes at a percent in the status as an emp and of the effective date of any election which it makes at a percent comparison of the effective date of any election which it makes at a percent in the status as an emp and of the effective date of any election which it makes at a percent comparison of the effective date of any election which it makes at a percent in the four status as an emp and of the effective date of any election which it makes at a percent in the four status as an emp and of the effective date of any election which it makes at a percent in the status as an emp and of the effective date of any election which it makes at a percent in the status as an emp and of the effective date of any election which it makes at a percent in the status as an emp and of the effective date of any election which it makes at a percent in the status as an emp and of the effective date of any election which it makes at a percent in the status as a percent in the status as a percent i	sferred from its al to one-half of ted for each of ted for each of ted for each of ted as provided r the year the ted as provided r the year the tence rating of reimbursement .S. 96 9(d)(2)a, mputed at one ations as it may cation of any as an employer
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19determination which it may make of its status as an empl20and of the effective date of any election which it makes an	as an employer
20 and of the effective date of any election which it makes an	
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21 any termination of such election. Such determinations sha	nations shall be
22 subject to reconsideration, appeal and review.	
23 (2) Payments in lieu of contributions shall be made in accordance wit	rdance with the
24 provisions of this subparagraph and shall be processed as prov	
25 herein.	I I I I I I I I I I I I I I I I I I I
26 a. Quarterly contributions and wage reports and advance payn	vance payments
27 shall be submitted to the Commission quarterly under the	
28 conditions and requirements of G.S. 96-9 and 96-10, except	
the amount of advance payments shall be computed as	
30 percent (1%) of taxable wages and entered on such rep	-
31 provided that such advance payments shall become effe	•
32 only with respect to the first four thousand two hundred do	
33 (\$4,200) in wages paid in a calendar year until January 1, 1	
34 On and after that date advance payments shall be effective	hundred dollars
	hundred dollars anuary 1, 1978.
5.7 respect to the rederativ reduited wage base provided that	hundred dollars anuary 1, 1978. e effective with
35 respect to the federally required wage base provided that 36 December 31, 1983, the wage base shall be the same as	hundred dollars anuary 1, 1978. e effective with vided that after
36 December 31, 1983, the wage base shall be the same as	hundred dollars anuary 1, 1978. e effective with vided that after he same as that
36December 31, 1983, the wage base shall be the same as37provided for in G.S. 96-9(a)(5). Collection of such adv	hundred dollars anuary 1, 1978. e effective with vided that after the same as that i such advance
36December 31, 1983, the wage base shall be the same as37provided for in G.S. 96-9(a)(5). Collection of such adv38payments shall be made as provided for the collection	hundred dollars anuary 1, 1978. e effective with vided that after the same as that i such advance
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1		Any employer paying by reimbursement having been, prior
2		to July 1, under the reimbursement method of payment for the
3		preceding calendar year, shall continue to file quarterly reports
4		but shall make no payments with those reports.
5	b.	The Commission shall establish a separate account for each
6		such employer and such account shall be credited, and
7		maintained as provided in G.S. 96-9(c)(1), except that advance
8		payments shall be credited in full and voluntary contributions
9		are not applicable.
10	с.	Benefits paid shall be allocated to the employer's account in
11		accordance with G.S. 96-9(c)(2)a but charged to such account
12		without the application of any multiplier, and no benefits shall
13		be noncharged except amounts equal to fifty percent (50%) of
14		extended benefits paid and amounts equal to one hundred
15		percent (100%) of benefits paid through error.
16	d.	As of July 31 of each year, and prior to January 1 of the
17		succeeding year, the Commission shall determine the balance of
18		each such employer's account and shall furnish him with a
19		statement of all charges and credits thereto.
20		As of the second computation date (August 1) following the
21		effective date of liability and as of each computation date
22		thereafter, any credit balance remaining in the employer's
23		account (after all applicable postings) in excess of whichever is
24		the greater (a) benefits charged to such account during the 12
25		months ending on such computation date, or (b) one percent
26		(1%) of taxable wages for the 12 months ending on June 30
27		preceding such computation date shall be refunded. Any such
28		refund shall be made prior to February 1 following such
29		computation date.
30		Should the balance in such account not equal that requiring
31		a refund, the employer shall upon notice and demand for
32		payment mailed to his last known address pay into his account
33		an amount that will bring such balance to the minimum required
34		for a refund. Such amount shall become due on or before the
35		tenth day following the mailing of such notice and demand for
36		payment. Any such amount unpaid on the due date shall be
37		collected in the same manner, including interest, as prescribed
38		in G.S. 96-10.
39		Upon a change in election as to the method of payment from
40		reimbursement to contributions, or upon termination of
41		coverage and after all applicable benefits paid based on wages
42		paid prior to such change in election or termination of coverage
43		have been charged, any credit balance in such account shall be
44		refunded to the employer.

1		Should there be a debit balance in such account, the
2		employer shall, upon notice and demand for payment, mailed to
3		his last-known address, pay into his account an amount equal to
4		such debit balance. Such amount shall become due on or before
5		the tenth day following the mailing of such notice and demand
6		for payment.
7		Any such amount unpaid on the date due shall be collected
8		in the same manner, including interest, as prescribed in
9		G.S. 96-10.
10		Beginning January 1, 1978, each employer paying by
11		reimbursement shall have his account computed on computation
12		date (August 1) and if there is a deficit shall be billed for an
13		amount necessary to bring his account to one percent (1%) of
14		his taxable payroll. Any amount of his account in excess of that
15		required to equal one percent (1%) of his payroll shall be
16		refunded. Amounts due from any employer to bring his account
17		to a one percent (1%) balance shall be billed as soon as
18		practical and payment will be due within 25 days from the date
19		of mailing of the statement of amount due. Amounts due from
20		any nonprofit organization to bring its account to a one percent
21		(1%) balance shall be billed as soon as practical, and payment
22		will be due within 60 days from the date of mailing of the
23		statement of the amount due.
24	e.	The Commission may make necessary rules and regulations
25	0.	with respect to coverage of a group of nonprofit organizations
26		and with respect to the reimbursement of benefits payments by
27		such group of nonprofit organizations.
28	(3) a.	Any benefits paid to any claimant which are based on
29	(J) u.	previously uncovered employment which are reimbursable by
30		the federal government shall not be charged to a nonprofit
31		organization which makes payments to the State
32		Unemployment Insurance Fund in lieu of contributions.
33	b.	For purposes of this paragraph previously uncovered
34	0.	employment for which benefits are reimbursable by the federal
35		government means services performed before July 1, 1978, in
36		the case of a week of unemployment beginning before July 1,
37		1978, or before January 1, 1978, in the case of a week of
38		unemployment beginning after July 1, 1978, and to the extent
39		that assistance under Title II of the Emergency Jobs and
40		Unemployment Assistance Act of 1974 (SUA) was not paid to
41		such individuals on the basis of such service."
42	SECTIO	N 3. G.S. 96-9(i) reads as rewritten:
43		ibes. – Benefits paid to employees of Indian tribe employing units
44		accordance with the provisions of this subsection. For the purposes

1	of this subsection	on, an	"Indian	tribe employing unit" is an Indian tribe, a subdivision or
2	subsidiary of an	Indian	tribe, o	or a business enterprise wholly owned by an Indian tribe.
3	(1)	Elect	ion. –	
4		a.	An Ir	idian tribe employing unit shall pay contributions under
5			the p	rovisions of this Chapter, unless it elects in accordance
6			with	this subsection to pay the Commission for the
7			Unem	ployment Insurance Fund an amount equal to the amount
8			of be	nefits paid that is attributable to service in the employ of
9			the u	nit, to individuals for weeks of unemployment that begin
10			within	n a benefit year established during the effective period of
11			the el	ection.
12		b.	An In	idian tribe employing unit may elect to become liable for
13			paym	ents in lieu of contributions for a period of not less than
14			three	calendar years by filing a written notice of its election
15			with	the Commission at least 30 days before the January 1
16			effect	ive date of the election.
17		c.	An I	ndian tribe employing unit that makes an election in
18			accor	dance with this subsection will continue after the end of
19			the th	ree calendar years to be liable for payments in lieu of
20			contri	butions until it files with the Commission a written notice
21			termi	nating its election at least 30 days before the January 1
22 23			effect	ive date of the termination.
23		d.	The a	account of an Indian tribe employing unit that has been
24			payin	g contributions under this Chapter for a period of at least
25			three	consecutive calendar years and that elects to change to a
26			reimb	ursement basis shall be closed and shall not be used in any
27			future	e computation of the unit's contribution rate in any manner.
28			mann	er. except that the unit may be relieved of the requirement
29			-	y one percent (1%) of taxable wages as required by
30				vision (2) of this subsection to the following extent and
31			upon-	the following conditions:
32			1.	An Indian tribe employing unit that has, for the year the
33				election will be effective, an experience rating of 1.7 or
34				less will have transferred from its experience rating
35				account an amount equal to one percent (1%) of its
36				payroll as reported for each of the four calendar quarters
37				that constitute the election year.
38			2.	An Indian tribe employing unit that has, for the year the
39				election will be effective, an experience rating of less
40				than 2.7 but more than 1.7 will have transferred from its
41				experience rating account an amount equal to one-half of
42				one percent (.5%) of its payroll as reported for each of
43				the four calendar quarters that constitute the election
44				year. These employing units shall make advance

1		payments to the Commission quarterly, computed at
2		one half of one percent (.5%) of the taxable wages
23		reported as provided in subdivision (2) of this
4		subsection.
5		3. An Indian tribe employing unit that has, for the year the
6		election will become effective, an experience rating of
0 7		2.7 or more, upon electing to change to a reimbursement
8		basis, will meet all the requirements of subdivision (2) of
9		this subsection, including making advance payments
10		computed at one percent (1%) of taxable wages.
10		e. The Commission, in accordance with regulations it adopts, shall
11		notify each Indian tribe employing unit of any determination of
12		the effective date of any election it makes and of any
13		termination of the election. These determinations shall be
14		subject to reconsideration, appeal, and review.
15	(2)	Procedure. – Indian tribe employing units' payments by reimbursement
10	(2)	in lieu of contributions shall be made and processed as provided in this
17		subdivision.
18		
20		a. Quarterly contributions and wage reports and advance payments shall be submitted to the Commission quarterly under the same
20 21		conditions and requirements of G.S. 96-9 and G.S. 96-10,
21 22		except that the amount of advance payments shall be computed
22		as one percent (1%) of taxable wages and entered on the
23 24		reports, and except that the wage base shall be the same as that
24 25		provided for in G.S. 96-9(a)(5). Collection of these advance
25 26		payments shall be made as provided for the collection of
20 27		contributions in G.S. 96-10.
28		Any Indian tribe employing unit paying by reimbursement
20 29		having been, prior to July 1, under the reimbursement method
30		of payment for the preceding calendar year, shall continue to
31		file quarterly reports but shall make no payments with those
32		reports.
33		b. The Commission shall establish a separate account for each
34		Indian tribe employing unit paying by reimbursement. The
35		account shall be credited and maintained as provided in
36		G.S. 96-9(c)(1), except that advance payments shall be credited
30 37		in full, and voluntary contributions are not applicable.
38		c. Benefits paid shall be allocated to the employer's account in
39		accordance with G.S. $96-9(c)(2)a$. but charged to the account
40		without the application of any multiplier, and no benefits shall
41		be noncharged except amounts of benefits paid through error.
42		d. As of July 31 of each year, and prior to January 1 of the
43		succeeding year, the Commission shall determine the balance of

1	each Indian tribe employing unit's account and shall furnish the
2	unit with a statement of all charges and credits to the account.
3	As of August 1 of each year, there shall be refunded any
4	credit balance remaining in the Indian tribe employing unit's
5	account (after all applicable postings) in excess of one percent
6	(1%) of taxable wages for the 12 months ending on June 30
7	preceding the computation date. The refund must be made
8	before February 1 following the computation date.
9	If the balance in the account does not equal one percent
10	(1%) of taxable wages, the Indian tribe employing unit must,
11	upon notice and demand for payment mailed to its last known
12	address, pay into the account an amount that will bring the
13	balance to one percent (1%) of taxable wages. This amount
14	becomes due on or before the 25th day after the notice and
15	demand for payment is mailed. Any amount unpaid on the due
16	date shall be collected in the same manner, including interest, as
17	prescribed in G.S. 96-10.
18	Upon a change in election as to the method of payment from
19	reimbursement to contributions, or upon termination of
20	coverage and after all applicable benefits paid based on wages
21	paid before the change in election or termination of coverage
22	have been charged, any credit balance in the account shall be
23	refunded to the Indian tribe employing unit.
24	If there is a debit balance in the account, the Indian tribe
25	employing unit must, upon notice and demand for payment
26	mailed to its last known address, pay into the account an
27	amount necessary to bring the account to one percent (1%) of
28	taxable wages. This amount becomes due on or before the 25th
29	day after the notice and demand for payment is mailed. Any
30	amount unpaid on the due date shall be collected in the same
31	manner, including interest, as prescribed in G.S. 96-10.
32	e. Notices to Indian tribe employing units of payment and
33	reporting delinquency must include information that failure to
34	make full payment within the time prescribed will cause the
35	unit to become liable for contributions under subsection (a) of
36	this section, will cause the unit to lose the option of making
37	payment by reimbursement in lieu of contributions, and could
38	cause the unit to lose coverage under this Chapter for services
39	performed for the unit."
40	SECTION 4. This act is effective when it becomes law.