

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 500

FINAL READING

Introduced by White, 8; Aguilar, 35.

Read first time January 17, 2007

Committee: Business and Labor

A BILL

1 FOR AN ACT relating to the Employment Security Law; to amend
2 section 48-652, Revised Statutes Supplement, 2007; to
3 change provisions governing charges to the experience
4 account of employers; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 48-652, Revised Statutes Supplement,
2 2007, is amended to read:

3 48-652 (1) (a) A separate experience account shall be
4 established for each employer who is liable for payment of
5 contributions. Whenever and wherever in the Employment Security
6 Law the terms reserve account or experience account are used,
7 unless the context clearly indicates otherwise, such terms shall be
8 deemed interchangeable and synonymous and reference to either of
9 such accounts shall refer to and also include the other.

10 (b) A separate reimbursement account shall be established
11 for each employer who is liable for payments in lieu of
12 contributions. All benefits paid with respect to service in
13 employment for such employer shall be charged to his or her
14 reimbursement account and such employer shall be billed for and
15 shall be liable for the payment of the amount charged when billed
16 by the commissioner. Payments in lieu of contributions received
17 by the commissioner on behalf of each such employer shall be
18 credited to such employer's reimbursement account, and two or more
19 employers who are liable for payments in lieu of contributions may
20 jointly apply to the commissioner for establishment of a group
21 account for the purpose of sharing the cost of benefits paid that
22 are attributable to service in the employ of such employers. The
23 commissioner shall prescribe such rules and regulations as he or
24 she deems necessary with respect to applications for establishment,
25 maintenance, and termination of group accounts authorized by this

1 subdivision.

2 (2) All contributions paid by an employer shall be
3 credited to the experience account of such employer. State
4 unemployment insurance tax payments shall not be credited to
5 the experience account of each employer. Partial payments of
6 combined tax shall be credited so that at least eighty percent
7 of the combined tax payment excluding interest and penalty is
8 credited first to contributions due. In addition to contributions
9 credited to the experience account, each employer's account shall
10 be credited as of June 30 of each calendar year with interest
11 at a rate determined by the commissioner based on the average
12 annual interest rate paid by the Secretary of the Treasury of
13 the United States of America upon the state's account in the
14 Unemployment Trust Fund for the preceding calendar year multiplied
15 by the balance in his or her experience account at the beginning
16 of such calendar year. If the total credits as of such date to
17 all employers' experience accounts are equal to or greater than
18 ninety percent of the total amount in the Unemployment Compensation
19 Fund, no interest shall be credited for that year to any employer's
20 account. Contributions with respect to prior years which are
21 received on or before January 31 of any year shall be considered
22 as having been paid at the beginning of the calendar year. All
23 voluntary contributions which are received on or before January
24 10 of any year shall be considered as having been paid at the
25 beginning of the calendar year.

1 (3) (a) Each experience account shall be charged only
2 for benefits based upon wages paid by such employer. No benefits
3 shall be charged to the experience account of any employer if (i)
4 such benefits were paid on the basis of a period of employment
5 from which the claimant (A) left work voluntarily without good
6 cause, (B) left work voluntarily due to a nonwork-connected illness
7 or injury, (C) left work voluntarily with good cause to escape
8 abuse as defined in section 42-903 between household members as
9 provided in subdivision (1) of section 48-628.01, (D) left work
10 from which he or she was discharged for misconduct connected with
11 his or her work, or (E) left work voluntarily and is entitled to
12 unemployment benefits without disqualification in accordance with
13 subdivision (3) or (5) of section 48-628.01 and (ii) the employer
14 has filed timely notice of the facts on which such exemption is
15 claimed in accordance with rules and regulations prescribed by
16 the commissioner. No benefits shall be charged to the experience
17 account of any employer if such benefits were paid on the basis
18 of wages paid in the base period that are wages for insured
19 work solely by reason of subdivision (5) (b) of section 48-627. No
20 benefits shall be charged to the experience account of any employer
21 if such benefits were paid during a week when the individual was
22 participating in training approved under section 236(a) (1) of the
23 federal Trade Act of 1974, 19 U.S.C. 2296(a) (1).

24 (b) Each reimbursement account shall be charged only for
25 benefits paid that were based upon wages paid by such employer in

1 the base period that were wages for insured work solely by reason
2 of subdivision (5) of section 48-627.

3 (c) Benefits paid to an eligible individual shall be
4 charged against the account of his or her most recent employers
5 within his or her base period against whose accounts the maximum
6 charges hereunder have not previously been made in the inverse
7 chronological order in which the employment of such individual
8 occurred. The maximum amount so charged against the account of any
9 employer, other than an employer for which services in employment
10 as provided in subdivision (4) (a) of section 48-604 are performed,
11 shall not exceed the total benefit amount to which such individual
12 was entitled as set out in section 48-626 with respect to base
13 period wages of such individual paid by such employer plus one-half
14 the amount of extended benefits paid to such eligible individual
15 with respect to base period wages of such individual paid by
16 such employer. The commissioner shall by rules and regulations
17 prescribe the manner in which benefits shall be charged against
18 the account of several employers for whom an individual performed
19 employment during the same quarter or during the same base period.
20 Any benefit check duly issued and delivered or mailed to a claimant
21 and not presented for payment within one year from the date of its
22 issue may be invalidated and the amount thereof credited to the
23 Unemployment Compensation Fund, except that a substitute check may
24 be issued and charged to the fund on proper showing at any time
25 within the year next following. Any charge made to an employer's

1 account for any such invalidated check shall stand as originally
2 made.

3 (4) (a) An employer's experience account shall be deemed
4 to be terminated one calendar year after such employer has ceased
5 to be subject to the Employment Security Law, except that if the
6 commissioner finds that an employer's business is closed solely
7 because of the entrance of one or more of the owners, officers,
8 partners, or limited liability company members or the majority
9 stockholder into the armed forces of the United States, or of any
10 of its allies, after July 1, 1950, such employer's account shall
11 not be terminated and, if the business is resumed within two years
12 after the discharge or release from active duty in the armed forces
13 of such person or persons, the employer's experience account shall
14 be deemed to have been continuous throughout such period.

15 (b) An experience account terminated pursuant to this
16 subsection shall be reinstated if (i) the employer becomes subject
17 again to the Employment Security Law within one calendar year after
18 termination of such experience account and the employer makes a
19 written application for reinstatement of such experience account
20 to the commissioner within two calendar years after termination of
21 such experience account and (ii) the commissioner finds that the
22 employer is operating substantially the same business as prior to
23 the termination of such experience account.

24 (5) All money in the Unemployment Compensation Fund shall
25 be kept mingled and undivided. The payment of benefits to an

1 individual shall in no case be denied or withheld because the
2 experience account of any employer does not have a total of
3 contributions paid in excess of benefits charged to such experience
4 account.

5 (6) A contributory or reimbursable employer shall be
6 relieved of charges if the employer was previously charged for
7 wages and the same wages are being used a second time to establish
8 a new claim as a result of the October 1, 1988, change in the base
9 period.

10 Sec. 2. Original section 48-652, Revised Statutes
11 Supplement, 2007, is repealed.