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## AMENDMENTS TO LB1393

Introduced by Hansen, 16.

- 1. Insert the following new section:
- 2 Section 1. Section 48-649.03, Revised Statutes Supplement, 2023, is
- 3 amended to read:
- 4 48-649.03 (1) Once benefits have been payable from and chargeable to
- 5 an employer's experience account throughout the preceding four calendar
- 6 quarters and wages for employment have been paid by the employer in each
- 7 of the two preceding four-calendar-quarter periods, the employer's
- 8 combined tax rate shall be calculated according to this section. The
- 9 combined tax rate shall be based upon the employer's experience rating
- 10 record and determined from the employer's reserve ratio.
- 11 (2) The employer's reserve ratio is the percent obtained by dividing
- 12 (a) the amount by which the employer's contributions credited from the
- 13 time the employer first or most recently became an employer, whichever
- 14 date is later, and up to and including September 30 of the year the rate
- 15 computation is made, plus any part of the employer's contributions due
- 16 for that year paid on or before October 31 of such year, exceed the
- 17 employer's benefits charged during the same period, by (b) the employer's
- 18 average annual taxable payroll for the sixteen-consecutive-calendar-
- 19 quarter period ending September 30 of the year in which the rate
- 20 computation is made. For an employer with less than sixteen consecutive
- 21 calendar quarters of contribution experience, the employer's average
- 22 taxable payroll shall be determined based upon the four-calendar-quarter
- 23 periods for which contributions were payable.
- 24 (3) Each eligible experience rated employer shall be assigned to one
- 25 of twenty rate categories with a corresponding experience factor as
- 26 follows:
- 27 Category

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1	1	0.00
2	2	0.25
3	3	0.40
4	4	0.45
5	5	0.50
6	6	0.60
7	7	0.65
8	8	0.70
9	9	0.80
10	10	0.90
11	11	0.95
12	12	1.00
13	13	1.05
14	14	1.10
15	15	1.20
16	16	1.35
17	17	1.55
18	18	1.80
19	19	2.15
20	20	2.60

Eligible experience rated employers shall be assigned to rate categories from highest to lowest according to their experience reserve ratio, with category one assigned to accounts with the highest reserve ratios and category twenty assigned to accounts with the lowest reserve ratios. Each category shall be limited to no more than five percent of the state's total taxable payroll, except that:

- 27 (a) Any employer with a portion of its taxable wages falling into 28 two consecutive categories shall be assigned to the lower category;
- 29 (b) No employer with a reserve ratio calculated to five decimal 30 places equal to the similarly calculated reserve ratio of another

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- 1 employer shall be assigned to a higher rate than the employer to which it
- 2 has the equal reserve ratio; and
- 3 (c) No employer with a positive experience account balance shall be 4 assigned to category twenty.
- 5 (4) The state's reserve ratio shall be calculated annually by 6 dividing the amount available to pay benefits in the Unemployment Trust 7 Fund and the State Unemployment Insurance Trust Fund as of September 30, 8 plus any amount of combined tax owed by employers eligible for and 9 electing annual payment status for the four most recent quarters ending on September 30 in accordance with rules and regulations adopted by the 10 11 commissioner, by the state's total wages from the four calendar quarters 12 ending on September 30. For purposes of this section, total wages means all remuneration paid by an employer in employment. The state's reserve 13 14 ratio shall be applied to the table in this subsection to determine the 15 yield factor for the upcoming rate year.

16	State's Reserve Ratio	Yie	ld Factor
17	1.75 percent and above	Ξ	<u>0.50</u>
18	1.60 percent up to but not including 1.75	Ξ	0.60
19	1.45 percent up to but not including 1.60	Ξ	<u>0.70</u>
20	1.45 percent and above	=	0.70
21	1.30 percent up to but not including 1.45	=	0.75
22	1.15 percent up to but not including 1.30	=	0.80
23	1.00 percent up to but not including 1.15	=	0.90
24	0.85 percent up to but not including 1.00	=	1.00
25	0.70 percent up to but not including 0.85	=	1.10
26	0.60 percent up to but not including 0.70	=	1.20
27	0.50 percent up to but not including 0.60	=	1.25
28	0.45 percent up to but not including 0.50	=	1.30
29	0.40 percent up to but not including 0.45	=	1.35
30	0.35 percent up to but not including 0.40	=	1.40

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0.30 percent up to but not including 0.35 1 1.45

2 Below 0.30 percent 1.50

3 The commissioner may adjust the yield factor determined pursuant to the preceding table to a lower scheduled yield factor if the state's 4 5 reserve ratio is 1.00 percent or greater. Once the yield factor for the 6 upcoming rate year has been determined, it is multiplied by the amount of 7 unemployment benefits paid from combined tax during the four calendar 8 quarters ending September 30 of the preceding year. The resulting figure 9 is the planned yield for the rate year. The planned yield is divided by 10 the total taxable wages for the four calendar quarters ending September 11 30 of the previous year and carried to four decimal places to create the 12 average combined tax rate for the rate year. Beginning January 1, 2025, through December 31, 2029, the final average combined tax rate shall be 13 14 reduced by five percent.

- (5) The average combined tax rate is assigned to rate category twelve as established in subsection (3) of this section. Rates for each of the remaining nineteen categories are determined by multiplying the average combined tax rate by the experience factor associated with each category and carried to four decimal places. Employers who are delinquent in filing their combined tax reports as of October 31 of any year shall be assigned to category twenty for the following calendar year unless the delinquency is corrected prior to December 31 of the year of rate calculation.
- 24 (6) In addition to required contributions, an employer may make 25 voluntary contributions to the fund to be credited to his or her account. 26 Voluntary contributions by employers may be made up to the amount 27 necessary to qualify for one rate category reduction. Voluntary contributions received after February 28 shall not be used in rate 28 29 calculations for the same calendar year.
- (7) As used in sections 48-648 to 48-654, the term payroll means the 30

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- 1 total amount of wages during a calendar year, except as otherwise
- 2 provided in section 48-654, by which the combined tax was measured.
- 3 2. On page 8, line 7, after the third comma insert "and section
- 4 48-649.03, Revised Statutes Supplement, 2023,".
- 5 3. Renumber the remaining sections accordingly.