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**HOUSE BILL NO. 794**

Offered January 21, 2000

*A BILL to amend and reenact §§ 60.2-300 and 60.2-301 of the Code of Virginia, relating to the unemployment compensation fund; refund of excess payments.*

\_\_\_\_\_  
Patron—Wagner

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Referred to Committee on Labor and Commerce

**Be it enacted by the General Assembly of Virginia:****1. That §§ 60.2-300 and 60.2-301 of the Code of Virginia are amended and reenacted as follows:**

§ 60.2-300. Fund continued; accounts maintained.

The special fund established in the state treasury and known as the Unemployment Compensation Fund is continued. The Comptroller shall maintain within the fund ~~two~~ three separate accounts:

1. A clearing account; ~~and~~

2. A holding account; and

~~2.~~ 3. A benefit account.

§ 60.2-301. Clearing account; holding account; refund of excess; payment to credit of federal Unemployment Trust Fund.

A. All taxes and other moneys required by this title to be paid to the Unemployment Compensation Fund and collected by the Commission, and any interest or earnings upon any moneys or property belonging to the fund shall, promptly upon collection, be paid into the state treasury and credited to the clearing account. Any interest collected on taxes shall be paid into the Special Unemployment Compensation Administration Fund continued by § 60.2-314. Refunds, except for interest collected pursuant to § 60.2-524, may be paid from the clearing account.

B. After clearance thereof, all other moneys in the clearing account, including undeliverable payments, shall be credited to the holding account. Any interest or earnings upon any moneys or property in the holding fund shall, promptly upon collection, be paid into the state treasury and credited to the holding account. Moneys shall remain in the holding account until paid as provided in this subsection:

1. If the balance which shall stand to the credit of the account of the Commonwealth of Virginia in the Unemployment Trust Fund in the Treasury of the United States, hereafter referred to as the UTF balance, is less than one billion dollars, the balance of the moneys in the holding account shall immediately be paid over to the Secretary of the Treasury of the United States, to the credit of the Unemployment Trust Fund established by the Social Security Act, to be held for the Commonwealth upon the terms and conditions provided in the Social Security Act.

2. If the UTF balance equals or exceeds one billion dollars, the balance of moneys in the holding account shall remain in the holding account until the first to occur of the following:

a. The balance of moneys in the holding account equal or exceed fifty million dollars, in which event the balance of moneys in the holding account, less the expenses incurred by the Commission in administering the refund thereof as provided in this subdivision, shall be refunded to the employers who submitted payments of taxes pursuant to Chapter 5 (§ 60.2-500 et seq.) during the period between the date the UTF balance attained one billion dollars and the date the balance of moneys in the holding account attained fifty million dollars. The refunds provided for in this subdivision shall not be calculated and paid more frequently than once each calendar quarter. The amount of the refund to each such employer shall be equal to the product obtained by multiplying (i) the amount of money available for refund, as determined by the Commission, by (ii) a percentage, the numerator of which is the amount of such taxes, less any other refunds, paid by the employer during such period, and the denominator of which is the amount of taxes, less any other refunds, paid by all employers during such period; or

b. The UTF balance falls below one billion dollars, in which event the lesser of (i) the moneys in the holding account or (ii) the portion of moneys in the holding account required to restore the UTF balance to one billion dollars, shall immediately be paid over to the Secretary of the Treasury of the United States, to the credit of the Unemployment Trust Fund established by the Social Security Act, to be held for the Commonwealth upon the terms and conditions provided in the Social Security Act.

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