

## Department of Planning and Budget 2014 Fiscal Impact Statement

**1. Bill Number:** SB18

<b>House of Origin</b>	X	Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Locke

**3. Committee:** Commerce and Labor

**4. Title:** Unemployment compensation; voluntarily leaving employment to accompany military spouse.

**5. Summary:** Provides that good cause for leaving employment exists if an employee voluntarily leaves a job to accompany the employee's spouse, who is on active duty in the military or naval services of the United States, to a new military-related assignment established pursuant to a permanent change of duty order from which the employee's place of employment is not reasonably accessible. The measure applies only if the state to which the spouse is transferred has a similar provision, unless the transfer involves members of the Virginia National Guard relocated within the Commonwealth. Benefits paid to qualifying claimants shall be charged against the pool rather than against the claimant's employer. The measure also repeals Chapter 878 of the 2009 Acts of Assembly, which is similar to this measure but did not take effect because the contingency in its third enactment was not satisfied.

**6. Budget Amendment Necessary:** Yes, Item 121 (HB30/SB30).

**7. Fiscal Impact Estimates:**

**7a. Expenditure Impact:** Unemployment Trust Fund (benefits paid)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2014			
2015	\$1,900,000	N/A	NGF
2016	\$1,800,000	N/A	NGF
2017	\$1,700,000	N/A	NGF
2018	\$1,800,000	N/A	NGF
2019	\$1,800,000	N/A	NGF
2020	\$1,900,000	N/A	NGF

**7b. Revenue Impact:** Unemployment Taxes

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014	\$0	N/A
2015	\$0	N/A
2016	\$0	N/A
2017	\$0	N/A

2018	\$1,800,000	NGF
2019	\$1,100,000	NGF
2020	\$1,800,000	NGF

- 8. Fiscal Implications:** The Virginia Employment Commission (VEC) estimates that by providing unemployment benefits to trailing spouses of military personnel will increase the unemployment tax cost per employee by an average of \$0.40 over an eight-year average.

According to VEC, line 170 of this bill, “\$0.34” should be stricken, and replaced with “\$0.40”.

Section 30-19.03:1.2, Code of Virginia, requires that bills enhancing unemployment compensation benefits payable to a claimant contain a statement reflecting the projected impact on the solvency level of the unemployment trust fund and the average increase in state unemployment tax liability of employers. Based on information provided to the Department of Planning and Budget, the third enactment clause of the bill should be updated accordingly.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Employment Commission.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.

Date 01/10/2014  
SB18.doc

cc: Secretary of Commerce and Trade