

Department of Planning and Budget 2015 Fiscal Impact Statement

1. **Bill Number:** HB1382

House of Origin X Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Head

3. **Committee:** Commerce and Trade

4. **Title:** Unemployment compensation benefits; liability for benefit charges.

5. **Summary:** Provides that benefit charges associated with the payment of unemployment compensation benefits to an individual shall not be the responsibility of the most recent employing unit for whom the individual performed service for remuneration during 30 days, whether or not such days are consecutive, or during 240 hours. If such individual's unemployment is caused by separation from an employer that employed the individual after the individual separated from employment with the last 30-day employing unit, the individual's benefit charges for such period of unemployment shall constitute pool charges and not be charged to the last 30-day employing unit.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Preliminary.

8. **Fiscal Implications:** This bill shifts benefit charges to pool costs if an individual's unemployment is caused by separation from an employer that employed the individual after the individual separated from employment with the last 30-day employing unit. The individual's benefit charges for such period of unemployment shall constitute pool charges and not be charged to the last 30-day employing unit.

In the first eleven months of 2014, about 11,150 claimants met the criteria of this bill. The total benefit paid to these claimants was \$18.0 million. According to the bill, all of these charges would be assigned to pool rather than a liable employer. There is no fiscal impact to the Unemployment Trust Fund since there should be no changes to the number of claimants and their payments.

The Virginia Employment Commission estimates that changing the benefit charges to pool cost will increase the unemployment tax cost per employee by an average of \$3.20 over an eight-year average.

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

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.

Date: 01/14/2015

cc: Secretary of Commerce and Trade