ASSEMBLY BILL No. 2312

Introduced by Assembly Member Blakeslee

February 19, 2010

An act to amend Section 977 of the Unemployment Insurance Code, relating to unemployment insurance.

legislative counsel's digest

AB 2312, as introduced, Blakeslee. Unemployment insurance: contribution rates.

Existing law requires every employer, with specified exceptions, to pay contributions to the Unemployment Fund at specified rates to fund the payment of unemployment compensation benefits to eligible unemployed individuals.

This bill would make technical, nonsubstantive changes in those provisions requiring employer contributions to the fund.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 977 of the Unemployment Insurance Code is amended to read:

977. (a) Except as provided in subdivision (c), if, as of the computation date, the employer's net balance of reserve equals or exceeds that percentage of his or her average base payroll ~~which~~ *that* appears on any line in column 1 of the following table, but is less than that percentage of his or her average base payroll ~~which~~ *that* appears on the same line in column 2 of that table, his or her

contribution rate shall be the figure appearing on that same line in the appropriate schedule, as defined in subdivision (b), which shall be a percentage of the wages specified in Section 930.

	Reserve Ratio		Contribution Rate						
	Column	Column	Schedules						
Line	1	2	AA	A	B	C	D	E	F
01	less than –20		5.4	5.4	5.4	5.4	5.4	5.4	5.4
02	–20 to	–18	5.2	5.3	5.4	5.4	5.4	5.4	5.4
03	–18 to	–16	5.1	5.2	5.4	5.4	5.4	5.4	5.4
04	–16 to	–14	5.0	5.1	5.3	5.4	5.4	5.4	5.4
05	–14 to	–12	4.9	5.0	5.3	5.4	5.4	5.4	5.4
06	–12 to	–11	4.8	4.9	5.2	5.4	5.4	5.4	5.4
07	–11 to	–10	4.7	4.8	5.1	5.3	5.4	5.4	5.4
08	–10 to	–09	4.6	4.7	5.1	5.3	5.4	5.4	5.4
09	–09 to	–08	4.5	4.6	4.9	5.2	5.4	5.4	5.4
10	–08 to	–07	4.4	4.5	4.8	5.1	5.3	5.4	5.4
11	–07 to	–06	4.3	4.4	4.7	5.0	5.3	5.4	5.4
12	–06 to	–05	4.2	4.3	4.6	4.9	5.2	5.4	5.4
13	–05 to	–04	4.1	4.2	4.5	4.8	5.1	5.3	5.4
14	–04 to	–03	4.0	4.1	4.4	4.7	5.0	5.3	5.4
15	–03 to	–02	3.9	4.0	4.3	4.6	4.9	5.2	5.4
16	–02 to	–01	3.8	3.9	4.2	4.5	4.8	5.1	5.4
17	–01 to	00	3.7	3.8	4.1	4.4	4.7	5.0	5.4
18	00 to	01	3.4	3.6	3.9	4.2	4.5	4.8	5.1
19	01 to	02	3.2	3.4	3.7	4.0	4.3	4.6	4.9
20	02 to	03	3.0	3.2	3.5	3.8	4.1	4.4	4.7
21	03 to	04	2.8	3.0	3.3	3.6	3.9	4.2	4.5
22	04 to	05	2.6	2.8	3.1	3.4	3.7	4.0	4.3
23	05 to	06	2.4	2.6	2.9	3.2	3.5	3.8	4.1
24	06 to	07	2.2	2.4	2.7	3.0	3.3	3.6	3.9
25	07 to	08	2.0	2.2	2.5	2.8	3.1	3.4	3.7
26	08 to	09	1.8	2.0	2.3	2.6	2.9	3.2	3.5
27	09 to	10	1.6	1.8	2.1	2.4	2.7	3.0	3.3
28	10 to	11	1.4	1.6	1.9	2.2	2.5	2.8	3.1
29	11 to	12	1.2	1.4	1.7	2.0	2.3	2.6	2.9
30	12 to	13	1.0	1.2	1.5	1.8	2.1	2.4	2.7

31	13 to 14	0.8	1.0	1.3	1.6	1.9	2.2	2.5
32	14 to 15	0.7	0.9	1.1	1.4	1.7	2.0	2.3
33	15 to 16	0.6	0.8	1.0	1.2	1.5	1.8	2.1
34	16 to 17	0.5	0.7	0.9	1.1	1.3	1.6	1.9
35	17 to 18	0.4	0.6	0.8	1.0	1.2	1.4	1.7
36	18 to 19	0.3	0.5	0.7	0.9	1.1	1.3	1.5
37	19 to 20	0.2	0.4	0.6	0.8	1.0	1.2	1.4
38	20 or more	0.1	0.3	0.5	0.7	0.9	1.1	1.3

(b) (1) Whenever the balance in the Unemployment Fund on September 30 of any calendar year is greater than 1.8 percent of the wages (as defined by Section 940) in employment subject to this part paid during the 12-month period ending upon the computation date, employers shall pay into the Unemployment Fund contributions for the succeeding calendar year upon all wages with respect to employment at the rates specified in Schedule AA.

(2) Whenever the balance in the Unemployment Fund on September 30 of any calendar year is equal to or less than 1.8 percent and greater than 1.6 percent of the wages (as defined by Section 940) in employment subject to this part paid during the 12-month period ending upon the computation date, employers shall pay into the Unemployment Fund contributions for the succeeding calendar year upon all wages with respect to employment at the rates specified in Schedule A.

(3) Whenever the balance in the Unemployment Fund on September 30 of any calendar year is equal to or less than 1.6 percent and greater than 1.4 percent of the wages (as defined by Section 940) in employment subject to this part paid during the 12-month period ending upon the computation date, employers shall pay into the Unemployment Fund contributions for the succeeding calendar year upon all wages with respect to employment at the rates specified in Schedule B.

(4) Whenever the balance in the Unemployment Fund on September 30 of any calendar year is equal to or less than 1.4 percent and greater than 1.2 percent of the wages (as defined by Section 940) in employment subject to this part paid during the 12-month period ending upon the computation date, employers shall pay into the Unemployment Fund contributions for the succeeding calendar year upon all wages with respect to employment at the rates specified in Schedule C.

(5) Whenever the balance in the Unemployment Fund on September 30 of any calendar year is equal to or less than 1.2 percent and greater than 1.0 percent of the wages (as defined by Section 940) in employment subject to this part paid during the 12-month period ending upon the computation date, employers shall pay into the Unemployment Fund contributions for the succeeding calendar year upon all wages with respect to employment at the rates specified in Schedule D.

(6) Whenever the balance in the Unemployment Fund on September 30 of any calendar year is equal to or less than 1.0 percent and greater than or equal to 0.8 percent of the wages (as defined by Section 940) in employment subject to this part paid during the 12-month period ending upon the computation date, employers shall pay into the Unemployment Fund contributions for the succeeding calendar year upon all wages with respect to employment at the rates specified in Schedule E.

(7) Whenever the balance in the Unemployment Fund on September 30 of any calendar year is less than 0.8 percent and greater than or equal to 0.6 percent of the wages (as defined by Section 940) in employment subject to this part paid during the 12-month period ending upon the computation date, employers shall pay into the Unemployment Fund contributions for the succeeding calendar year upon all wages with respect to employment at the rates specified in Schedule F.

(c) For each rating period beginning on or after January 1, 2005, in which an employer obtains or attempts to obtain a more favorable rate of contributions under this section due to deliberate ignorance, reckless disregard, fraud, intent to evade, misrepresentation, or willful nondisclosure, the director shall assign the maximum contribution rate plus 2 percent for each applicable rating period, the current rating period, and the subsequent rating period.

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