



**TITLE: HB18 Unemployment Insurance Amendments**

**SPONSOR: Rep. Steve Mascaro**

**SENATE FLOOR SPONSOR: Sen. Wayne Niederhauser**

**SUMMARY:**

The American Recovery and Reinvestment Act of 2009 provided Utah a potential distribution of \$20,332,402, to be deposited in Utah's Unemployment Insurance Trust Fund within 30 days of Utah enacting a modernization of unemployment eligibility, also known as an "Alternate Base Period."

HB18 establishes an Alternate Base Period for unemployment benefits eligibility. Essentially, if a claimant does not monetarily qualify for benefits using the current "Standard Base Period" (first 4 of the last 5 completed calendar quarters of wages) DWS will consider the claimant's "Alternate Base Period" (the last 4 completed calendar quarters of wages) to determine eligibility.

HB 18 also eliminates the current "20 Week Rule." Currently in Utah, if a claimant does not monetarily qualify for benefits using the "Standard Base Period," they may qualify by providing proof of 20 weeks of employment, earning at least \$155 in each week.

While HB 18 has significant value for Utah's Unemployment Insurance Trust, particularly in a time of record unemployment claims, please note HB18 requires DWS to provide an annual report to the Legislature regarding the impact on claimants and the Utah UI Trust Fund as a result of this change.

Annually an estimated 1,700 additional claimants would be eligible for an additional \$3.1 million in UI benefits. One time development costs are \$250K and on-going administrative costs are \$150K

Comprised of representatives from business, labor and the public, the Workforce Employment Advisory Council unanimously voted to support the "Alternate Base Period" legislation because it would more accurately reflect the claimant's current work history and the Department's automated UI tax filing systems allow wage data to be accessible much sooner.

In addition to business and labor, the Salt Lake Chamber supports modernizing the base period used to determine eligibility for unemployment insurance by utilizing an applicant's most current employment information, validating that such modernization is sound public policy.

*For more information, please contact:*

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