

## STATEMENT OF PURPOSE

### RS24402

This legislation amends provisions of the Employment Security Law. Section 1 changes the minimum and maximum base tax rates by rounding the existing tax rates to their nearest tenth of a percent. Section 2 would stabilize the benefit amount at 55% of the state average weekly wage paid by covered employers. This legislation also would create a sliding scale for the maximum weeks of entitlement to benefits by indexing the maximum number of weeks to the seasonally adjusted unemployment rate. Currently the maximum duration for unemployment benefits is 26 weeks. The new maximum would range from 20 to 26 weeks.

### FISCAL NOTE

There is no fiscal impact to the General Fund or to local government funds. Section 1 would have no impact on the Employment Security Fund's solvency. Section 2 would lower the liability of the Employment Security Fund and have no impact on the trust fund's solvency. It would reduce employer taxes by reducing the amount of benefits paid to the unemployed by \$3.3M to \$4M for every one percent reduction in Idaho's unemployment rate. Operational costs funded by the Federal Unemployment Tax Act would result in a one-time cost of approximately \$65,000 for programming, testing and implementation to Idaho's automated unemployment insurance tax and benefit system.

#### Contact:

Georgia Smith, Deputy Director  
Idaho Dept. of Labor  
(208) 323-3570