

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7914**

**BILL NUMBER: HB 1610**

**DATE PREPARED:** Feb 4, 1999

**BILL AMENDED:**

**SUBJECT:** Base period for unemployment compensation.

**FISCAL ANALYST:** Beverly Holloway

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill changes the base period for computation of unemployment benefits to the last four completed calendar quarters. (Current law provides that the base period for computation of unemployment benefits is the first four of the last five calendar quarters.)

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (Revised) This bill changes the base period for computation of unemployment benefits will be calculated on four completed calendar quarters rather than on the current computation of the first four of the last five calendar quarters. It is anticipated that the change in the computation base could increase the amount of unemployment benefits available to recipients from the Unemployment Benefit Trust Fund. The fiscal impact of this provision is indeterminable but the impact is expected to negligible. The balance of the Unemployment Benefit Trust Fund as of December 7, 1998 was \$1.4 billion.

Currently, unemployment benefits are calculated on the first four of the last five calendar quarter. The change in the base period to the last four calendar quarters could delay the computation of benefits and payments to an individual if an employer has not yet submitted quarterly wage reports. For example, an employer is required to submit wage reports for the last quarter of 1998 no later than February 1, 1999. If an individual submits a claim in January 1999 for unemployment benefits, the Department of Workforce Development may have to contact an employer for the wages paid to the individual during the last quarter of 1998. The Department of Workforce Development would have to contact an employer to request the amount of wages paid to an individual who has submitted a claim for unemployment benefits. The computation of benefits and the payment of benefits would be delayed until the Department of Workforce Development receives the requested information from the employer.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See “Explanation of State Expenditures.”

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development.

**Local Agencies Affected:** All.

**Information Sources:** Charles Mazza, Department of Workforce Development, (317) 232-7460.