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# HOUSE BILL No. 1393

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 22-4-11-1.

**Synopsis:** Employer contributions for unemployment insurance. Provides that unemployment benefits are not charged to the experience account of a base period employer when the claimant's unemployment from the employer was a direct result of the condemnation of property by a municipal corporation, the state, or the federal government, a fire, a flood, or an act of nature, if at least 50% of the employer's employees become unemployed as a result. Provides that this exception does not apply when the unemployment was an intentional result of an action taken by the employer or a person acting on behalf of the employer.

**Effective:** July 1, 2001.

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January 11, 2001, read first time and referred to Committee on Labor and Employment.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

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## HOUSE BILL No. 1393

A BILL FOR AN ACT to amend the Indiana Code concerning labor and industrial safety.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 22-4-11-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) For the purpose  
3 of charging employers' experience or reimbursable accounts with  
4 regular benefits paid subsequent to July 3, 1971, to any eligible  
5 individual but except as provided in IC 22-4-22 and subsection (f),  
6 such benefits paid shall be charged proportionately against the  
7 experience or reimbursable accounts of his employers in his base  
8 period (on the basis of total wage credits established in such base  
9 period) against whose accounts the maximum charges specified in this  
10 section shall not have been previously made. Such charges shall be  
11 made in the inverse chronological order in which the wage credits of  
12 such individuals were established. However, when an individual's  
13 claim has been computed for the purpose of determining his regular  
14 benefit rights, maximum regular benefit amount, and the proportion of  
15 such maximum amount to be charged to the experience or reimbursable  
16 accounts of respective chargeable employers in the base period, the  
17 experience or reimbursable account of any employer charged with

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1 regular benefits paid shall not be credited or reccredited with any  
2 portion of such maximum amount because of any portion of such  
3 individual's wage credits remaining uncharged at the expiration of his  
4 benefit period. The maximum so charged against the account of any  
5 employer shall not exceed twenty-eight percent (28%) of the total wage  
6 credits of such individual with each such employer with which wage  
7 credits were established during such individual's base period. Benefits  
8 paid under provisions of IC 22-4-22-3 in excess of the amount that the  
9 claimant would have been monetarily eligible for under other  
10 provisions of this article shall be paid from the fund and not charged to  
11 the experience account of any employer; however, this exception shall  
12 not apply to those employers electing to make payments in lieu of  
13 contributions who shall be charged for all benefit payments which are  
14 attributable to service in their employ. Irrespective of the twenty-eight  
15 percent (28%) maximum limitation provided for in this section, any  
16 extended benefits paid to an eligible individual based on service with  
17 a governmental entity of this state or its political subdivisions shall be  
18 charged to the experience or reimbursable accounts of the employers,  
19 and fifty percent (50%) of any extended benefits paid to an eligible  
20 individual shall be charged to the experience or reimbursable accounts  
21 of his employers in his base period, other than governmental entities of  
22 this state or its political subdivisions, in the same proportion and  
23 sequence as are provided in this section for regular benefits paid.  
24 Additional benefits paid under IC 22-4-12-4(c) shall:

25 (1) be paid from the fund; and

26 (2) not be charged to the experience account or the reimbursable  
27 account of any employer.

28 (b) If the aggregate of wages paid to an individual by two (2) or  
29 more employers during the same calendar quarter exceeds the  
30 maximum wage credits (as defined in IC 22-4-4-3), then the experience  
31 or reimbursable account of each such employer shall be charged in the  
32 ratio which the amount of wage credits from such employer bears to the  
33 total amount of wage credits during the base period.

34 (c) When wage records show that an individual has been employed  
35 by two (2) or more employers during the same calendar quarter of the  
36 base period but do not indicate both that such employment was  
37 consecutive and the order of sequence thereof, then and in such cases  
38 it shall be deemed that the employer with whom the individual  
39 established a plurality of wage credits in such calendar quarter is the  
40 most recent employer in such quarter and its experience or  
41 reimbursable account shall be first charged with benefits paid to such  
42 individual. The experience or reimbursable account of the employer

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1 with whom the next highest amount of wage credits were established  
 2 shall be charged secondly and the experience or reimbursable accounts  
 3 of other employers during such quarters, if any, shall likewise be  
 4 charged in order according to plurality of wage credits established by  
 5 such individual.

6 (d) Except as provided in subsection (f), if an individual:

7 (1) voluntarily leaves an employer without good cause in  
 8 connection with the work; or

9 (2) is discharged from an employer for just cause;

10 wage credits earned with the employer from whom the employee has  
 11 separated under these conditions shall be used to compute the  
 12 claimant's eligibility for benefits, but charges based on such wage  
 13 credits shall be paid from the fund and not charged to the experience  
 14 account of any employer. However, this exception shall not apply to  
 15 those employers who elect to make payments in lieu of contributions,  
 16 who shall be charged for all benefit payments which are attributable to  
 17 service in their employ.

18 (e) Any nonprofit organization which elects to make payments in  
 19 lieu of contributions into the unemployment compensation fund as  
 20 provided in this article is not liable to make the payments with respect  
 21 to the benefits paid to any individual whose base period wages include  
 22 wages for previously uncovered services as defined in IC 22-4-4-4, nor  
 23 is the experience account of any other employer liable for charges for  
 24 benefits paid the individual to the extent that the unemployment  
 25 compensation fund is reimbursed for these benefits pursuant to Section  
 26 121 of P.L.94-566. Payments which otherwise would have been  
 27 chargeable to the reimbursable or contributing employers shall be  
 28 charged to the fund.

29 (f) If an individual:

30 (1) earns wages during his base period through employment with  
 31 two (2) or more employers concurrently;

32 (2) is laid off from work by one (1) of the employers; and

33 (3) continues to work for one (1) or more of the other employers  
 34 after the end of the base period and continues to work during the  
 35 applicable benefit year on substantially the same basis as during  
 36 the base period;

37 wage credits earned with the base period employers shall be used to  
 38 compute the claimant's eligibility for benefits, but charges based on the  
 39 wage credits from the employer who continues to employ the individual  
 40 shall be charged to the experience or reimbursable account of the  
 41 employer who laid the claimant off.

42 (g) Subsection (f) does not affect the eligibility of a claimant who

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1 otherwise qualifies for benefits nor the computation of his benefits.  
2 **(h) Unemployment benefits paid shall not be charged to the**  
3 **experience account of a base period employer when the claimant's**  
4 **unemployment from his employer was a direct result of:**  
5 **(1) the condemnation of property by a municipal corporation**  
6 **(as defined in IC 36-1-2-10), the state, or the federal**  
7 **government;**  
8 **(2) a fire;**  
9 **(3) a flood; or**  
10 **(4) an act of nature,**  
11 **if at least fifty percent (50%) of the employer's employees,**  
12 **including the claimant, become unemployed as a result. However,**  
13 **the exception set forth in this subsection does not apply when the**  
14 **unemployment was an intentional result of an action taken by the**  
15 **employer or a person acting on behalf of the employer.**

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