

By: Representative Stevens

To: Labor

HOUSE BILL NO. 1145

1 AN ACT TO AMEND SECTION 71-5-359, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE
3 OF INSURANCE, TO USE AN ANNUAL ACTUARIAL EVALUATION RATHER THAN A
4 FIXED PERCENTAGE IN ESTABLISHING AND MONITORING THE EMPLOYMENT
5 COMPENSATION REVOLVING FUND BALANCE; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 SECTION 1. Section 71-5-359, Mississippi Code of 1972, is
8 amended as follows:

9 71-5-359. (1) (a) Before January 1, 1978, each state board
10 or other instrumentality of this state or one or more other states
11 covered under Section 71-5-11, subsection H(3), shall pay
12 contributions under the provisions of Sections 71-5-351 through
13 71-5-355 for all of the hospitals or institutions of higher
14 learning under its jurisdiction unless it elects, in the same
15 manner and under the same conditions as provided for nonprofit
16 organizations in subsections (a), (b) and (c) of Section 71-5-357,
17 to pay to the commission for the unemployment fund an amount equal
18 to the regular benefits and one-half (1/2) of the extended
19 benefits paid that are attributable to service in the employ of
20 such hospitals or institutions. When an election is made, the
21 amounts required to be paid in lieu of contributions shall be
22 billed and payment made as provided in Section 71-5-357 with
23 respect to similar payments by nonprofit organizations. A state
24 board having jurisdiction over two (2) or more state-owned
25 hospitals or state-owned institutions of higher learning shall be
26 treated as a single employer for the employment in all of said
27 hospitals or institutions of higher learning for purposes of
28 computing contribution rates and payment of contributions, or for

29 purposes of reimbursing the fund, unless it elects, in accordance
30 with this section, to have one or more of said hospitals or
31 institutions of higher learning treated as a separate employer.

32 (b) A state board may elect to have one or more
33 state-owned hospitals or one or more state-owned institutions of
34 higher learning under its jurisdiction treated as a separate
35 employer for the purposes of this section, provided it files with
36 the commission, not later than thirty (30) days prior to the
37 beginning of any tax year, a written notice of such election. Any
38 such election shall be effective throughout such tax year, and
39 shall continue in effect unless the state board files with the
40 commission a written notice of termination of such election not
41 less than thirty (30) days prior to the beginning of the tax year
42 for which such termination is to be effective.

43 (2) (a) From January 1, 1978, through December 31, 1978,
44 the Commission of Budget and Accounting shall, in the manner
45 provided in subsection (2)(c) of this section, pay, upon warrant
46 issued by the State Auditor of Public Accounts, to the commission
47 for the unemployment compensation fund an amount equal to the
48 regular benefits and one-half (1/2) of the extended benefits paid
49 that are attributable to service in the employ of a state agency.
50 The amount required to be reimbursed by a certain agency shall be
51 billed to the Commission of Budget and Accounting and shall be
52 paid from the Employment Compensation Revolving Fund pursuant to
53 subsection (2)(c) of this section not later than thirty (30) days
54 after such bill was mailed, unless there has been an application
55 for review and redetermination in accordance with Section
56 71-5-357(b)(v).

57 (b) The Department of Finance and Administration shall,
58 in the manner provided in subsection (2)(c) of this section, pay,
59 upon warrant issued by the State Auditor, or the successor to
60 these duties, to the commission for the Unemployment Compensation
61 Fund an amount equal to the regular benefits and the extended

62 benefits paid that are attributable to service in the employ of a
63 state agency. The amount required to be reimbursed by a certain
64 agency shall be billed to the Department of Finance and
65 Administration and shall be paid from the Employment Compensation
66 Revolving Fund pursuant to subsection (2)(c) of this section not
67 later than thirty (30) days after such bill was mailed, unless
68 there has been an application for review and redetermination in
69 accordance with Section 71-5-357(b)(v).

70 (c) Each agency of state government shall deposit
71 monthly for a period of twenty-four (24) months an amount equal to
72 one-twelfth of one percent (1/12 of 1%) of the first Six Thousand
73 Dollars (\$6,000.00) paid to each employee thereof during the next
74 preceding year into the Employment Compensation Revolving Fund
75 hereby created in the State Treasury. The Department of Finance
76 and Administration shall determine the percentage to be applied to
77 the amount of covered wages paid in order to maintain a balance in
78 the revolving fund of not less than the amount determined by an
79 actuary through an annual actuarial evaluation to provide adequate
80 reserves. The State Treasurer shall invest all funds in the
81 Employment Compensation Revolving Fund and all interest earned
82 shall be credited to the Employment Compensation Revolving Fund.

83 The reimbursement of benefits paid by the Mississippi
84 Employment Security Commission shall be paid by the Department of
85 Finance and Administration from the Employment Compensation
86 Revolving Fund upon warrants issued by the State Auditor of Public
87 Accounts, or the successor to these duties; and the said auditor
88 shall issue his warrants upon requisitions signed by the
89 Department of Finance and Administration. Provided, however, that
90 the Department of Finance and Administration may, if it so elects,
91 contract for the performance of the duties prescribed by
92 subsections (2)(b) and (c), and other duties necessarily related
93 thereto.

94 (d) From January 1, 1978, through December 31, 1978,
95 any political subdivision of this state shall pay to the
96 commission for the unemployment fund an amount equal to the
97 regular benefits and one-half (1/2) of the extended benefits paid
98 that are attributable to service in the employ of such political
99 subdivision unless it elects to make contributions to the
100 unemployment fund as provided in subsection (2)(j) of this
101 section. The amount required to be reimbursed shall be billed and
102 shall be paid as provided in Section 71-5-357, with respect to
103 similar payments for nonprofit organizations.

104 (e) On and after January 1, 1979, any political
105 subdivision of this state shall pay to the commission for the
106 unemployment fund an amount equal to the regular benefits and the
107 extended benefits paid that are attributable to service in the
108 employ of such political subdivision unless it elects to make
109 contributions to the unemployment fund as provided in subsection
110 (2)(j) of this section. The amount required to be reimbursed
111 shall be billed and shall be paid as provided in Section 71-5-357,
112 with respect to similar payments for nonprofit organizations.

113 (f) Each political subdivision unless it elects to make
114 contributions to the unemployment fund as provided in subsection
115 (2)(j) of this section, shall establish a revolving fund and
116 deposit therein monthly for a period of twenty-four (24) months an
117 amount equal to one-twelfth of one percent (1/12 of 1%) of the
118 first Six Thousand Dollars (\$6,000.00) paid to each employee
119 thereof during the next preceding year plus an amount each month
120 equal to one-third (1/3) of any reimbursement paid to the
121 Employment Security Commission for the next preceding quarter.
122 After January 1, 1980, the balance in the revolving fund shall be
123 maintained at an amount not less than two percent (2%) of the
124 covered wages paid during the next preceding year. Provided,
125 however, that the commission shall by regulation establish a
126 procedure to allow reimbursing political subdivisions to elect to

127 maintain the balance in the revolving fund as required under this
128 paragraph or to annually execute a surety bond to be approved by
129 the commission in an amount not less than two percent (2%) of the
130 covered wages paid during the next preceding year.

131 (g) In the event any political subdivision becomes
132 delinquent in payments due under this chapter, upon due notice,
133 and upon certification of the delinquency by the Mississippi
134 Employment Security Commission to the Department of Finance and
135 Administration, the State Tax Commission, the Department on
136 Environmental Quality and the Department of Insurance, or any of
137 them, such agencies shall direct the issuance of warrants which in
138 the aggregate shall be the amount of such delinquency payable to
139 the Mississippi Employment Security Commission and drawn upon any
140 funds in the State Treasury which may be available to such
141 political subdivision in satisfaction of any such delinquency.
142 This remedy shall be in addition to any other collection remedies
143 in this chapter or otherwise provided by law.

144 (h) Payments made by any political subdivision under
145 the provisions of this section shall not be deducted or
146 deductible, in whole or in part, from the remuneration of
147 individuals in the employ of the organization.

148 (i) Any governmental entity shall not be liable to make
149 payments to the unemployment fund with respect to the benefits
150 paid to any individual whose base-period wages include wages for
151 previously uncovered services as defined in Section 71-5-511,
152 subsection (e), to the extent that the unemployment compensation
153 fund is reimbursed for such benefits pursuant to Section 121 of
154 Public Law 94-566.

155 (j) Any political subdivision of this state may elect
156 to make contributions to the unemployment fund instead of making
157 reimbursement for benefits paid as provided in subsections (2)(d),
158 (e) and (f) of this section. A political subdivision which makes
159 this election shall so notify the commission, not later than July

160 1, 1978; and shall be subject to the provisions of Section
161 71-5-351, with regard to the payment of contributions. A
162 political subdivision which makes this election shall pay
163 contributions equal to two percent (2%) of wages paid by it during
164 each calendar quarter it is subject to this chapter. The
165 commission shall by regulation establish a procedure to allow
166 political subdivisions the option periodically to elect either the
167 reimbursement or the contribution method of financing unemployment
168 compensation coverage.

169 SECTION 2. This act shall take effect and be in force from
170 and after July 1, 2001.