To: Labor

MISSISSIPPI LEGISLATURE REGULAR SESSION 2001

By: Representative Stevens

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.

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

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

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

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

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

(b) The Department of Finance and Administration shall,
in the manner provided in subsection (2)(c) of this section, pay,
upon warrant issued by the State Auditor, or the successor to
these duties, to the commission for the Unemployment Compensation
Fund an amount equal to the regular benefits and the extended
benefits paid that are attributable to service in the employ of a
state agency. The amount required to be reimbursed by a certain
agency shall be billed to the Department of Finance and
Administration and shall be paid from the Employment Compensation
Revolving Fund pursuant to subsection (2)(c) of this section not
later than thirty (30) days after such bill was mailed, unless
there has been an application for review and redetermination in
accordance with Section 71-5-357(b)(v).

(c) Each agency of state government shall deposit
monthly for a period of twenty-four (24) months an amount equal to
one-twelfth of one percent (1/12 of 1%) of the first Six Thousand
Dollars ($6,000.00) paid to each employee thereof during the next
preceding year into the Employment Compensation Revolving Fund
hereby created in the State Treasury. The Department of Finance
and Administration shall determine the percentage to be applied to
the amount of covered wages paid in order to maintain a balance in
the revolving fund of not less than the amount determined by an
actuary through an annual actuarial evaluation to provide adequate
reserves. The State Treasurer shall invest all funds in the
Employment Compensation Revolving Fund and all interest earned
shall be credited to the Employment Compensation Revolving Fund.
The reimbursement of benefits paid by the Mississippi
Employment Security Commission shall be paid by the Department of
Finance and Administration from the Employment Compensation
Revolving Fund upon warrants issued by the State Auditor of Public
Accounts, or the successor to these duties; and the said auditor
shall issue his warrants upon requisitions signed by the
Department of Finance and Administration. Provided, however, that
the Department of Finance and Administration may, if it so elects,
contract for the performance of the duties prescribed by
subsections (2)(b) and (c), and other duties necessarily related
thereto.
(d) From January 1, 1978, through December 31, 1978, any political subdivision of this state shall pay to the commission for the unemployment fund an amount equal to the regular benefits and one-half (1/2) of the extended benefits paid that are attributable to service in the employ of such political subdivision unless it elects to make contributions to the unemployment fund as provided in subsection (2)(j) of this section. The amount required to be reimbursed shall be billed and shall be paid as provided in Section 71-5-357, with respect to similar payments for nonprofit organizations.

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

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

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

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

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

(j) Any political subdivision of this state may elect to make contributions to the unemployment fund instead of making reimbursement for benefits paid as provided in subsections (2)(d), (e) and (f) of this section. A political subdivision which makes this election shall so notify the commission, not later than July
ST: Employment Compensation Revolving Fund balance; allow DFA to use actuarial evaluation instead of fixed percentage.

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