

**Adopted  
AMENDMENT NO 1 PROPOSED TO**

**Senate Bill No. 2469**

**BY: Senator(s) Robertson**

1           **AMEND by inserting the following after line 2304 and by**  
2 **renumbering subsequent sections accordingly:**

3           **SECTION \*.** Section 71-5-353, Mississippi Code of 1972, is  
4 brought forward as follows:

5           71-5-353. (1) Each employer shall pay contributions equal  
6 to five and four-tenths percent (5.4%) of taxable wages paid by  
7 him each calendar year, except as may be otherwise provided in  
8 Section 71-5-361 and except that each newly subject employer shall  
9 pay contributions at the rate of two and seven-tenths percent  
10 (2.7%) of taxable wages until his experience-rating record has  
11 been chargeable throughout not less than the twelve (12)  
12 consecutive calendar months ending on the computation date;  
13 thereafter his contribution rate shall be determined in accordance  
14 with the provisions of Section 71-5-355.

15           (2) Unless eligible for a modified rate as described in  
16 Section 71-5-355 of this chapter, each employer, as defined by  
17 Section 71-5-11(H) of this chapter, engaged in an employee leasing  
18 arrangement, with an employee leasing firm, on June 30, 1998, will  
19 be assigned a contributions rate of one and five-tenths percent  
20 (1.5%) for the calendar year 1999, and subsequent calendar years,  
21 until the employer is eligible for a modified rate, as described  
22 in Section 71-5-355 of this chapter, based on experience  
23 accumulated subsequent to December 31, 1998.

24           The department shall notify all employers, active in the  
25 department files and currently reporting, of the provisions of  
26 this paragraph, at their last known mailing address on or before  
27 August 15, 1998. All employee leasing firms shall report to the  
28 department the name, the federal identification number, mailing  
29 address, physical location address and telephone number of all  
30 their clients on or before October 15, 1998. Any employee leasing  
31 firm failing to comply with the provisions of this paragraph may  
32 be assessed an amount equal to one-half of one percent (1/2 of 1%)  
33 of total wages, or Five Hundred Dollars (\$500.00), whichever is  
34 greater, for each client that the employee leasing firm fails to  
35 report. Collection of the above mentioned penalty shall be in  
36 conformity with department regulations.

37           (3) From and after January 1, 2005, contribution rates  
38 assigned to employers by the department, as determined pursuant to  
39 Sections 71-5-351, 71-5-353 and 71-5-355, shall be reduced by  
40 three tenths of one percent (.3%). Such reduction shall only  
41 apply to employers whose contribution rate, determined in  
42 accordance with Sections 71-5-353 and 71-5-355, is equal to or  
43 less than five and four tenths percent (5.4%), and shall include a  
44 three tenths of one percent (.3%) reduction to the rate as a  
45 result of violation of provisions of this chapter. The reduction  
46 in rates provided for herein shall not apply to state boards,  
47 instrumentalities and political subdivisions of the State of  
48 Mississippi referred to in Sections 71-5-357 and 71-5-359, or to  
49 nonprofit employers providing reimbursement to the department for  
50 the unemployment fund pursuant to Section 71-5-357(a). This  
51 subsection (3) shall be suspended and the size of fund and cost  
52 rate criterion shall be fixed for future years at the levels for  
53 the last rate computation, if any of the following occur:

54           (a) The average high cost multiple is equal to or less  
55 than 1.0. The average high cost multiple shall be computed as

56 follows: The result of the unobligated balance of the  
57 Unemployment Compensation Fund at November 1, immediately  
58 preceding the new rate year, divided by the total wages for the  
59 twelve (12) months ending on the June 30, immediately preceding  
60 the new rate year, shall be the numerator and shall be divided by  
61 the simple average of the value of the three (3) highest cost rate  
62 criterion computations since 1974. The result rounded to the next  
63 lower one (1) decimal place will be the average high cost  
64 multiple; or

65 (b) The computed size of fund (average exposure  
66 criterion divided by cost rate criterion) described in Section  
67 71-5-355 reaches 1.0 and the cost rate criterion reaches the  
68 average for the highest value of the cost rate criterion  
69 computations during each of the economic cycles (economic cycles  
70 shall be those defined by the National Bureau of Economic  
71 Research) subsequent to the calendar year 1974. The reduction to  
72 the size of the fund index and the cost rate criteria shall be  
73 accomplished as described in Section 71-5-355(1)(j) and (k); or

74 (c) The Unemployment Compensation Fund falls below Five  
75 Hundred Million Dollars (\$500,000,000.00).

76 (4) (a) From and after January 1, 2005, the workforce  
77 enhancement contributions shall be applied at a rate of three  
78 tenths of one percent (.3%) upon the taxable wages as defined by  
79 Section 71-5-351, however, the workforce enhancement contribution  
80 shall not be applied to state boards, instrumentalities and  
81 political subdivisions of the State of Mississippi referred to in  
82 Sections 71-5-357 and 71-5-359, or to nonprofit employers  
83 providing reimbursement to the department for the unemployment  
84 fund pursuant to Section 71-5-357(a).

85 (b) There is hereby created in the Treasury of the  
86 State of Mississippi a special fund to be known as the  
87 "Mississippi Workforce Training Enhancement Fund," which consists

88 of funds collected pursuant to subsection (1) of this section.  
89 Funds collected shall initially be deposited into the Clearing  
90 Account and subsequently transferred to the Mississippi Workforce  
91 Training Enhancement Fund described in Section 71-5-453. In the  
92 event any employer pays an amount insufficient to cover the total  
93 contributions due, the amounts due shall be satisfied in the  
94 following order:

95 (i) Unemployment contributions; then

96 (ii) Workforce training enhancement contributions;  
97 then

98 (iii) Interest and damages.

99 Cost of collection and administration of the workforce  
100 enhancement training contribution shall be allocated based on a  
101 plan approved by the United States Department of Labor (USDOL) and  
102 shall be paid to the Mississippi Department of Employment Security  
103 semiannually by the State Board for Community and Junior Colleges  
104 for periods ending in December and June of each year. Payment  
105 shall be made to the department no later than sixty (60) days  
106 after the billing date.

107 (c) All monies deposited in the Mississippi Workforce  
108 Training Enhancement Fund will be held by the Mississippi  
109 Department of Employment Security in such account for a period of  
110 not less than sixty (60) days. After such period, funds shall be  
111 transferred within thirty (30) days to the Mississippi Workforce  
112 Enhancement Training Fund in a manner determined by the  
113 department. Interest earnings or interest credits on deposit  
114 amounts shall be retained in the account to pay the costs of the  
115 account. If after the period of twelve (12) months interest  
116 earnings less banking costs exceeds Ten Thousand Dollars  
117 (\$10,000.00), such excess amounts shall be transferred to the  
118 Mississippi Workforce Enhancement Training Fund within thirty (30)

119 days. Such transfers shall occur once annually, during the month  
120 of January.

121 (d) All enforcement procedures for the collection of  
122 delinquent contributions contained in Sections 71-5-363 through  
123 71-5-383 shall be applicable in all respects for collections of  
124 delinquent contributions designated for the Unemployment  
125 Compensation Fund and the Mississippi Workforce Training  
126 Enhancement Fund.

127 (e) All monies deposited into the Mississippi Workforce  
128 Enhancement Training Fund shall be utilized exclusively by the  
129 State Board for Community and Junior Colleges in accordance with  
130 the Workforce Training Act of 1994 (Section 37-153-1 et seq.) and  
131 the annual plan developed by the State Workforce Investment Board  
132 for the following purposes: to provide training at no charge to  
133 employers and employees in order to enhance employee productivity.  
134 Such training may be subject to a minimal administrative fee to be  
135 paid from the Mississippi Workforce Enhancement Trust Fund as  
136 established by the State Workforce Investment Board subject to the  
137 advice of the State Board for Community and Junior Colleges. The  
138 initial priority of these funds shall be for the benefit of  
139 existing businesses located within the state. Employers may  
140 request training for existing employees and/or newly hired  
141 employees from the State Board for Community and Junior Colleges.  
142 The State Board for Community and Junior Colleges will be  
143 responsible for approving the training.

144 (f) This subsection (4) shall be suspended and the size  
145 of fund and cost rate criterion shall be fixed at the levels  
146 computed for the last rate computation at the end of any calendar  
147 year in which the following has occurred:

148 (i) The average high cost multiple is equal to or  
149 less than 1.0. The average high cost multiple shall be computed  
150 as follows: The result of the unobligated balance of the

151 unemployment compensation at November 1, immediately preceding the  
152 new rate year, divided by the total wages for the twelve (12)  
153 months ending on the June 30, immediately preceding the new rate  
154 year, shall be the numerator and shall be divided by the simple  
155 average of the value of the three (3) highest cost rate criterion  
156 computations since 1974. The result rounded to the next lower one  
157 (1) decimal place will be the average high cost multiple; or  
158                   (ii) The computed size of fund (average exposure  
159 criterion divided by cost rate criterion) described in Section  
160 71-5-355 reaches 1.0 and the cost rate criterion reaches the  
161 average for the highest value of the cost rate criterion  
162 computations during each of the economic cycles (economic cycles  
163 shall be those defined by the National Bureau of Economic  
164 Research) subsequent to the calendar year 1974. The reduction to  
165 the size of the fund index and the cost rate criteria shall be  
166 accomplished as described in Section 71-3-355(1)(j) and (k); or  
167                   (iii) The Unemployment Compensation Fund falls  
168 below Five Hundred Million Dollars (\$500,000,000.00).

169                   **FURTHER, AMEND line 25 of the title by inserting the**  
170 **following after the semicolon:**

171 TO BRING FORWARD SECTION 71-5-353, MISSISSIPPI CODE OF 1972, FOR  
172 PURPOSES OF AMENDMENT;