

1 each employer for the calendar year shall be increased, in the
2 circumstances and in the amounts as follows:

3 (1) - Condition "a" - If the balance of the unemployment
4 compensation fund is less than three and one-half (3 1/2) times, but
5 not less than three (3) times, the net benefits paid for the most
6 recent twenty (20) consecutive completed calendar quarters divided
7 by five (5), on July 1 of any given year, the contribution rate for
8 the next calendar year for each employer whose benefit wage ratio
9 with respect to that year is zero percent (0%) shall be increased by
10 one-tenth of one percent (1/10 of 1%) of wages paid by the employer
11 during the year; the contribution rate for each employer whose
12 benefit rate wage ratio with respect to that year is more than zero
13 percent (0%), but not more than one-tenth of one percent (1/10 of
14 1%), shall be increased by two-tenths of one percent (2/10 of 1%) of
15 wages paid by the employer during the year and the contribution rate
16 for each employer whose benefit wage ratio with respect to that
17 year is more than one-tenth of one percent (1/10 of 1%), shall be
18 increased by three-tenths of one percent (3/10 of 1%) of wages paid
19 by the employer during that year.

20 (2) - Condition "b" - If the balance of the unemployment
21 compensation fund is less than three (3) times, but not less than
22 two and one-half (2 1/2) times, the net benefits paid for the most
23 recent twenty (20) consecutive completed calendar quarters divided
24 by five (5), as of July 1 of any given year, the contribution rate

1 for the next calendar year for each employer shall be increased by
2 thirty-three and one-third percent (33 1/3%) of the rate; provided
3 that the total rate, if not a multiple of one-tenth of one percent
4 (1/10 of 1%), shall be computed to the next higher multiple of one-
5 tenth of one percent (1/10 of 1%) of wages paid by the employer
6 during that year; provided, further, that the contribution rate for
7 each employer whose benefit wage ratio with respect to that year is
8 zero percent (0%) shall be increased by two-tenths of one percent
9 (2/10 of 1%) of wages paid by the employer during that year; the
10 contribution rate for each employer whose benefit wage ratio with
11 respect to that year is more than zero percent (0%), but not more
12 than one-tenth of one percent (1/10 of 1%), shall be increased by
13 three-tenths of one percent (3/10 of 1%) of wages paid by the
14 employer during that year; and the contribution rate for each
15 employer whose benefit wage ratio with respect to that year is more
16 than one-tenth of one percent (1/10 of 1%), shall be increased by at
17 least four-tenths of one percent (4/10 of 1%) of wages paid by the
18 employer during that year.

19 (3) - Condition "c" - If the balance of the unemployment
20 compensation fund is less than two and one-half (2 1/2) times, but
21 not less than two (2) times, the net benefits paid for the most
22 recent twenty (20) consecutive completed calendar quarters divided
23 by five (5), as of July 1 of any given year, the contribution rate
24 for the next calendar year for each employer shall be increased by

1 one-half (1/2) of that rate; provided that the total rate, if not a
2 multiple of one-tenth of one percent (1/10 of 1%), shall be computed
3 to the next higher multiple of one-tenth of one percent (1/10 of 1%)
4 of wages paid by the employer during that year; provided, further,
5 that the contribution rate for each employer whose benefit wage
6 ratio with respect to that year is zero percent (0%) shall be
7 increased by three-tenths of one percent (3/10 of 1%) of wages paid
8 by the employer during that year; the contribution rate for each
9 employer whose benefit wage ratio with respect to that year is more
10 than zero percent (0%), but not more than one-tenth of one percent
11 (1/10 of 1%), shall be increased by four-tenths of one percent (4/10
12 of 1%) of wages paid by the employer during that year; and the
13 contribution rate for each employer whose benefit wage ratio with
14 respect to that year is more than one-tenth of one percent (1/10 of
15 1%), shall be increased by at least five-tenths of one percent (5/10
16 of 1%) of wages paid by the employer during that year.

17 (4) - Condition "d" - If the balance of the unemployment
18 compensation fund is less than two (2) times the net benefits paid
19 for the most recent twenty (20) consecutive completed calendar
20 quarters divided by five (5), as of July 1 of any given year, the
21 contribution rate for the next calendar year for each employer shall
22 be increased by sixty-six and two-thirds percent (66 2/3 %) of the
23 rate; provided that the total rate, if not a multiple of one-tenth
24 of one percent (1/10 of 1%) shall be computed to the next higher

1 multiple of one-tenth of one percent (1/10 of 1%) of wages paid by
2 the employer during that year; provided, further, that the
3 contribution rate for each employer whose benefit wage ratio with
4 respect to that year is zero percent (0%) shall be increased by
5 four-tenths of one percent (4/10 of 1%) of wages paid by the
6 employer during that year; the contribution rate for each employer
7 whose benefit wage ratio with respect to that year is more than zero
8 percent (0%), but not more than one-tenth of one percent (1/10 of
9 1%), shall be increased by five-tenths of one percent (5/10 of 1%)
10 of wages paid by the employer during that year; the contribution
11 rate for each employer whose benefit wage ratio with respect to that
12 year is more than one-tenth of one percent (1/10 of 1%), shall be
13 increased by at least six-tenths of one percent (6/10 of 1%) of
14 wages paid by the employer during that year.

15 (5) The contribution rate, excluding any surcharge, for an
16 employer whose contribution rate is three and four-tenths percent
17 (3.4%) or more shall not be increased by more than two (2)
18 percentage points in any ~~one (1) year~~ two (2) consecutive years.

19 The contribution rate, excluding any surcharge, for an employer
20 whose contribution rate is less than three and four-tenths percent
21 (3.4%) shall not be increased to more than five and four-tenths
22 percent (5.4%) in one (1) year.

23 For the purposes of this section "net benefits paid for the most
24 recent twenty (20) consecutive completed calendar quarters" means

1 the total amount of monies withdrawn from this state's account in
2 the unemployment trust fund in the United States Treasury for each
3 of the most recent twenty (20) consecutive completed calendar
4 quarters, plus the balance in the benefit account at the start of
5 the period, less the balance in the benefit account at the end of
6 the period. The contribution rate for those employers with a
7 benefit wage ratio of zero (0) shall be two-tenths of one percent
8 (2/10 of 1%) during those years when the fund is in conditions "a",
9 "b", and "c", and shall be three-tenths of one percent (3/10 of 1%)
10 during those years when the fund is in condition "d".

11 (6) Beginning January 1, 1996, except for this paragraph and
12 paragraph (7) of this section, the provisions of this section shall
13 be suspended until the Unemployment Trust Fund reaches a High Cost
14 Multiple of one and one-fourth (1 1/4). The Oklahoma Employment
15 Security Commission shall determine the High Cost Multiple at the
16 end of each calendar year and shall include the result of its
17 computation in a regularly published periodical together with other
18 employment-related data. As used in this section, "High Cost
19 Multiple" shall be a figure computed as follows:

20 (a) first, net fund reserves in the Unemployment
21 Compensation Fund as of the date of each computation
22 required by this section shall be divided by total
23 wages earned in insured employment for the twelve (12)
24

1 months preceding the date of the quarterly High Cost
2 Multiple computation,

3 (b) second, the result of the computation from
4 subparagraph (a) of this paragraph shall be divided by
5 a figure which is a quotient derived from the
6 computation of the High-Cost Rate contained in
7 subparagraph (c) of this paragraph, and

8 (c) third, the highest ratio of total state benefit
9 payments experienced previously in any twelve (12)
10 consecutive months to total wages earned in insured
11 employment for the same period shall be the High-Cost
12 Rate.

13 The result of all computations contained in subparagraphs (a)
14 through (c) of this paragraph, performed in the sequence as
15 specified in this section, shall be known as the High Cost Multiple;

16 (7) Prior to the beginning of each calendar year, the
17 Commission shall prepare an estimate of the financial condition of
18 the trust fund. If the estimate for the year shows the balance, at
19 any time during the year, will fall below the High Cost Multiple as
20 defined in paragraph (6) of this section, then the Commission shall
21 reinstate the suspended provisions of this section.

22 SECTION 2. AMENDATORY 40 O.S. 2011, Section 3-114, is
23 amended to read as follows:

1 Section 3-114. ESTIMATE OF FINANCIAL CONDITION OF FUND -
2 SURCHARGE. Prior to the beginning of each calendar quarter, the
3 Oklahoma Employment Security Commission shall prepare an estimate of
4 the financial condition of the fund for the quarter. ~~Effective July~~
5 ~~1, 1992, if~~ If the estimate for any quarter shows a balance at any
6 time during the quarter of less than Twenty-five Million Dollars
7 (\$25,000,000.00), the Commission shall assess and collect a
8 surcharge for that calendar quarter in an amount sufficient to keep
9 the balance at Twenty-five Million Dollars (\$25,000,000.00), except
10 as otherwise provided in this section.

11 The surcharge shall be charged to each employer in proportion to
12 the employer's total tax liability as of the last completed quarter
13 for the current calendar year and shall not exceed thirty-three and
14 one-third percent (33 1/3%) per taxable year.

15 In a state of emergency declared by the Governor, the Oklahoma
16 Legislature, the United States President or the U.S. Congress, the
17 Commission shall have the following authority:

18 1. If a state of emergency directly and adversely impacts the
19 fund and if the estimate for any quarter in a declared state of
20 emergency shows a balance at any time during the quarter of less
21 than Twenty-five Million Dollars (\$25,000,000.00), the Commission
22 shall have authority to:

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24

- 1 a. claim up to twenty-five percent (25%) of the federal
2 emergency relief funds made available to the state, if
3 any,
- 4 b. decrease the surcharge to be charged to each employer
5 to a percentage rate that is sufficient to bring the
6 balance of the fund to Twenty-five Million Dollars
7 (\$25,000,000.00),
- 8 c. borrow federal funds in amounts determined necessary
9 by the Commission,
- 10 d. allow the balance of the fund to remain less than
11 Twenty-five Million Dollars (\$25,000,000.00) but not
12 less than Ten Million Dollars (\$10,000,000.00), or
- 13 e. use any combination of the provisions of subparagraph
14 a, b, c or d of this subsection to supplement the
15 fund; and

16 2. When a state of emergency does not directly impact the fund,
17 the Commission shall adhere to the required duty to assess and
18 collect a surcharge for that calendar quarter in an amount
19 sufficient to keep the fund balance at Twenty-five Million Dollars
20 (\$25,000,000.00).

21 SECTION 3. This act shall become effective July 1, 2021.

22 SECTION 4. It being immediately necessary for the preservation
23 of the public peace, health or safety, an emergency is hereby
24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
5 03/25/2021 - DO PASS.

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