SPONSOR: Rep. Osienski & Rep. K. Williams & Sen. Townsend & Sen. Walsh
Rep. Bush; Sens. Hoffner, Huxtable, Sturgeon

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 49

AN ACT TO AMEND TITLE 19 OF THE DELAWARE CODE RELATING TO UNEMPLOYMENT BENEFITS AND EMPLOYER ASSESSMENTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 3313, Title 19 of the Delaware Code, by making deletions as shown by strike through and insertions as shown by underline and by redesignating accordingly:

§ 3313. Wages defined; weekly benefit amount; total annual amount of benefits; child support obligations.

(s) ~~Notwithstanding any other provisions in this section, for~~ For claims establishing a benefit year beginning July 1, 2019 and thereafter, an individual's weekly benefit amount shall be an amount equal to 1/46 of the individual's total wages for employment by employers paid during the 2 quarters of the individual's base period in which such wages were highest. If the weekly benefit amount is not an even dollar amount, it will be rounded down to the next whole dollar. The amount shall not be less than $20 nor more than $400.00.

(t) Notwithstanding any other provisions in this section, for claims establishing a benefit year beginning April 2, 2023, and thereafter, an individual's weekly benefit amount shall be an amount equal to 1/46 of the individual's total wages for employment by employers paid during the 2 quarters of the individual's base period in which such wages were highest. If the weekly benefit amount is not an even dollar amount, it will be rounded down to the next whole dollar. The amount shall not be less than $20 nor more than $450.00.

Section 2. Amend § 3348, Title 19 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 3348. Average employer assessment rate; average industry assessment rate; average construction industry assessment rate; new employer rate; standard rate of assessment.

(l) Notwithstanding any other provisions in this section, for calendar year 2023, effective January 1, 2023, the average employer assessment rate, the average industry assessment rate, and the average construction industry assessment rate shall each be 1%.

Section 3. Amend § 3350, Title 19 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 3350. Variations from new employer rate.

Prior to the calendar year 1954, each employer's rate for any calendar year shall be determined on the basis of the employer's record as of December 31 of the preceding calendar year. For the year 1954 and each calendar year thereafter each employer's rate for any calendar year shall be determined on the basis of the employer's record as of September 30 of the preceding calendar year. Variations from the standard rate of assessments shall be determined in accordance with the following requirements:

(14) Notwithstanding any other provisions in this section, for calendar year 2023, effective January 1, 2023, employers shall be assigned a basic assessment rate in accordance with the following table:

2023 - Special One Year Schedule of Rates

Benefit Wage Ratio (%) Does Not Exceed:	Basic Assessment Rate:
20	0.1%
30	0.25%
40	0.50%
50	1.00%
55	2.00%
60	2.50%
70	3.50%
80	4.50%
90	5.00%

a. If the employer's benefit wage ratio exceeds the highest percentage in the table set forth in paragraph (14) of this section the employer's basic assessment rate shall be 5.40 %.

b. Employers who are determined for calendar year 2023 to have the delinquency rate of assessment pursuant to paragraph (6) of this section shall continue to be assigned the delinquency rate.

Section 4. Section 1 of this Act will take effect on April 2, 2023.

Section 5. Sections 2 and 3 of this Act expire on December 31, 2023.

Ssynopsis

This Act provides post-pandemic related relief to both claimants receiving unemployment benefits and employers who are assessed unemployment taxes. This bill will increase the maximum weekly benefit amount payable to claimants seeking unemployment compensation benefits from the Delaware Department of Labor, Division of Unemployment Insurance from $400.00 a week to $450.00 a week. The funds necessary to pay the increased weekly benefit amounts will be paid from the Unemployment Trust Fund. Delaware currently pays unemployment claimants less per week in benefits than claimants are paid in each neighboring state. The maximum weekly benefit amount has not changed since 2019.

The Governor's agreement to allow federal pandemic funds to be used to replace the funds in the Unemployment Trust Fund that were depleted from the surge of pandemic related claims has made the Unemployment Trust Fund sufficiently solvent so as to allow the Department to offer unemployment tax relief measures to Delaware employers for a one-year period during calendar year 2023, at a time when employers continue to face post-pandemic rising economic challenges, supply chain problems, and difficultly in staffing. This Act will provide temporary relief to employers who pay unemployment tax assessments by reducing the new employer tax rates, reducing or holding constant overall employer tax rates, and reducing the maximum earned rate. This Act will also temporarily simplify the tax rate schedules that are used to calculate unemployment assessments paid by employers. The Department estimates that these unemployment tax assessment changes will reduce the tax obligation of employers an estimated $50 million in 2023. The various tax

assessment relief provisions set forth in Sections 2 and 3 of this Act are retroactive to January 1, 2023 and are intended to be in effect for the full calendar year 2023.