



SPONSOR: Rep. Osienski & Sen. Walsh

HOUSE OF REPRESENTATIVES
150th GENERAL ASSEMBLY

HOUSE BILL NO. 353

AN ACT TO AMEND TITLE 19 RELATING TO NON-CHARGING OF COVID-19 RELATED UNEMPLOYMENT BENEFITS TO EMPLOYERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

Section 1. 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:

(11) Notwithstanding any other provision of this title to the contrary, no employee benefit wages, as defined in § 3350(1), for weeks of total or partial unemployment from March 15, 2020 through and including March 21, 2020 and no claims determined by the Department to be COVID-19 related claims, will be included in the employer's benefit wages for purposes of §§ 3350(2), 3350(3) or 3350(4) of this title, and no benefit payments made from the Unemployment Insurance Trust Fund based on claims filed from March 15, 2020 through and including March 21, 2020, and no benefit payments made from the Unemployment Insurance Trust Fund based on claims determined by the Department to be COVID-19 related claims, shall be included in the state experience factor calculated in § 3350(4) of this title. An employer's or agent of the employer's failure to timely or adequately respond to a separation notice for a claim filed from March 15, 2020 through and including March 21, 2020, and for a claim determined by the Department to be a COVID-19 related claim will not result in benefit wage charges being assessed to such employer's experience merit rating account under §§ 3317 or 3318 of this title, unless the Department determines such failure has resulted in an overpayment of benefits and the employer or agent of the employer has established a pattern of failing to respond timely or adequately.

SYNOPSIS

This Act would ensure that employers are not charged for the benefit wages of employees who they had to terminate, furlough, or lay off due to the economic shutdown needed to respond to the COVID-19 public health crisis. The intention of the Department of Labor is to use other sources of federal funds to repay the Unemployment Insurance Trust Fund for the COVID-19 related benefits paid to these claimants, instead of charging the employers. It is not the intention to increase taxes on employers, and for most employers, this Act will avoid a significant increase in their unemployment tax assessment rates from COVID-19 related charges.