



# HOUSE OF REPRESENTATIVES

HB 2519

unemployment insurance; omnibus

Sponsors: Representative Fann

---

**DPA** Committee on Banking and Insurance

**DPA** Caucus and COW

**DPA** House Engrossed

**X** As Transmitted to the Governor

---

## **OVERVIEW**

HB 2519 makes changes to Unemployment Insurance (UI) regulations regarding payment of wages for discharged employees, the job training employer tax, work search requirements for UI recipients, and benefit eligibility for charter school employees.

## **HISTORY**

Arizona's UI Program is administered by the Department of Economic Security (DES) and provides a measure of economic security to the individual worker and the community when unemployment occurs due to circumstances beyond the worker's control. When an employee is eligible for benefits, the state pays those benefits out of the UI Trust Fund. Funding for the UI Fund comes from Arizona's unemployment tax paid by employers; workers in Arizona do not make any payments into the UI Fund. Employers also pay the federal unemployment tax (FUTA), which is collected by the federal government and is used to administer the program at the federal and state levels.

## **PROVISIONS**

### **Payment of Wages for Discharged Employees**

- Changes the requirement in current statute for a final check to be provided to a terminated to a terminated employee by the end of the next regular pay period instead of the current three day requirement.

### **Job Training Employer Tax**

- Stipulates that when the FUTA rate is above 6%, prior to the credits an Arizona employer receives, the job training tax does not apply to the following employer groups:
  - Employers with a positive reserve ratio of at least 13%.
  - Employers with a positive reserve ratio of at least 12%.
  - Employers with the start-up rate of 2% pursuant to Arizona Revised Statutes (A.R.S.) 23-729, or 2.7% pursuant to A.R.S. § 23-730.

### **Work Search Requirements**

- Outlines that an individual is considered available for work if they have engaged in a systematic and sustained effort to obtain work during at least four days of the week, and they have made at least three work search contacts per week.

## **HB 2519**

- Ties the calculation of an individual's highest quarter of the base period to the state's minimum wage at the time they file a claim for benefits.
- Requires unemployment claimants to actively search for work.
- Provides that claimants have effectively refused an offer of suitable work if the offer is withdrawn due to a positive pre-employment drug test result, or refusal to submit to a drug test as a condition of employment.

### **UI Benefit Determination for Charter Schools**

- Clarifies that a for-profit charter school employee is not eligible for UI benefits for any week of employment that begins during a period between two successive academic years or terms, or any holiday or vacation period if there is reasonable assurance that the individual will perform the same services in the second of the academic years or terms.
- Entitles the employee to a retroactive payment of denied benefits if the individual was not offered a return to employment for the second successive year or term as long as the weekly benefit claims were filed in a timely manner.
- Makes technical changes.