

Senate Engrossed

~~technical correction; military affairs~~
(now: unemployment insurance; benefits; duration; fraud)

State of Arizona
Senate
Fifty-fifth Legislature
First Regular Session
2021

SENATE BILL 1411

AN ACT

AMENDING SECTIONS 23-622, 23-771, 23-771.01, 23-779 AND 23-780, ARIZONA REVISED STATUTES; AMENDING TITLE 23, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-799.01; RELATING TO UNEMPLOYMENT INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-622, Arizona Revised Statutes, is amended to
3 read:

4 23-622. Wages

5 A. "Wages" means all remuneration for services from whatever
6 source, including commissions, bonuses and fringe benefits and the cash
7 value of all remuneration in any medium other than cash. The reasonable
8 cash value of remuneration in any medium other than cash shall be
9 estimated and determined in accordance with rules prescribed by the
10 department.

11 B. ~~"Wages" shall~~ DO not include:

12 1. For the purpose of sections 23-604, 23-726, ~~AND 23-728 and~~
13 ~~23-730.01~~, that part of the remuneration, ~~(other than remuneration~~
14 ~~referred to in succeeding paragraphs 3 THROUGH 16 of this subsection,)~~ in
15 excess of: ~~seven thousand dollars~~

16 (a) \$7,000 paid in 1983 or in a calendar year thereafter THROUGH
17 DECEMBER 31, 2021 to an individual by an employer or ~~his~~ THE EMPLOYER'S
18 predecessor with respect to employment during the calendar year, unless
19 that part of ~~the above specified~~ SUCH excess remuneration is subject to a
20 tax, under federal law, against which credit may be taken for
21 contributions required to be paid into a state unemployment fund by
22 employers subject to the federal law.

23 (b) \$8,000 PAID IN THE 2022 CALENDAR YEAR OR IN A CALENDAR YEAR
24 THEREAFTER TO AN INDIVIDUAL BY AN EMPLOYER OR THE EMPLOYER'S PREDECESSOR
25 WITH RESPECT TO EMPLOYMENT DURING THE CALENDAR YEAR, UNLESS THAT PART OF
26 SUCH EXCESS REMUNERATION IS SUBJECT TO A TAX, UNDER FEDERAL LAW, AGAINST
27 WHICH CREDIT MAY BE TAKEN FOR CONTRIBUTIONS REQUIRED TO BE PAID INTO A
28 STATE UNEMPLOYMENT FUND BY EMPLOYERS SUBJECT TO THE FEDERAL LAW.

29 2. For the purposes of ~~this~~ paragraph 1 OF THIS SUBSECTION, the
30 remuneration paid to an individual by an employer with respect to
31 employment in another state or states, ~~upon~~ ON which contributions were
32 required of and paid by such employer under an unemployment compensation
33 law of such other state or states, shall be included as part of
34 remuneration equal to the ~~above specified~~ amounts IN PARAGRAPH 1 OF THIS
35 SUBSECTION.

36 ~~2.~~ 3. The amount of any payment, including monies paid by an
37 employer for insurance or annuities or into a fund to provide payments for
38 insurance or annuities, made to or on behalf of an employee or any of ~~his~~
39 THE EMPLOYEE'S dependents under a plan or system established by an
40 employer ~~which~~ THAT makes provision for ~~his~~ THE EMPLOYER'S employees
41 generally, for ~~his~~ THE EMPLOYER'S employees generally and their
42 dependents, for a class of ~~his~~ THE EMPLOYER'S employees or for a class of
43 ~~his~~ THE EMPLOYER'S employees and their dependents, on account of any of
44 the following:

1 (a) Sickness or accident disability, except that in the case of
2 payments made to an employee or any of ~~his~~ THE EMPLOYEE'S dependents, this
3 subdivision excludes from wages only payments ~~which~~ THAT are received
4 under a workers' compensation law.

5 (b) Medical or hospitalization expenses in connection with sickness
6 or accident disability.

7 (c) Death.

8 ~~3.~~ 4. The payment by an employer, without deduction from the
9 remuneration of the employee, of the tax imposed ~~upon~~ ON an employee under
10 section 3101 of the internal revenue code relating to federal insurance
11 contributions with respect to remuneration paid to an employee for
12 domestic service in a private home or for agricultural labor.

13 ~~4.~~ 5. Any payment on account of sickness or accident disability,
14 or medical or hospitalization expenses in connection with sickness or
15 accident disability, made by an employing unit to, or on behalf of, an
16 employee after the expiration of six calendar months following the last
17 calendar month in which the employee worked for such employing unit.

18 ~~5.~~ 6. Any payment made to, or on behalf of, an employee or ~~his~~ THE
19 EMPLOYEE'S beneficiary:

20 (a) From or to a trust described in section 401(a) of the internal
21 revenue code relating to qualified pension, profit sharing and stock bonus
22 plans which is exempt from tax under section 501(a) of the internal
23 revenue code at the time of the payment unless the payment is made to an
24 employee of the trust as remuneration for services rendered as an employee
25 and not as a beneficiary of the trust.

26 (b) Under or to an annuity plan ~~which~~ THAT, at the time of such
27 payment, is a plan described in section 403(a) of the internal revenue
28 code relating to taxability of beneficiaries under qualified annuity
29 plans.

30 (c) Under a simplified employee pension as defined in section
31 408(k)(1) of the internal revenue code other than contributions described
32 in section 408(k)(6) of the internal revenue code relating to employee
33 salary reduction arrangements.

34 (d) Under or to an annuity contract described in section 403(b) of
35 the internal revenue code relating to taxation of beneficiaries under
36 annuities purchased by certain tax exempt organizations, other than a
37 payment for the purchase of the contract ~~which~~ THAT is made by reason of a
38 salary reduction agreement whether evidenced by a written instrument or
39 otherwise.

40 (e) Under or to an exempt governmental deferred compensation plan
41 as defined in section 3121(v)(3) of the internal revenue code.

42 (f) To supplement pension benefits under a plan or trust described
43 in this paragraph to take into account some portion or all of the increase
44 in the cost of living since retirement as determined by the United States
45 secretary of labor, but only if the supplemental payments are under a plan

1 ~~which~~ THAT is treated as a welfare plan under section 3(2)(b)(ii) of the
2 employee retirement income security act of 1974.

3 (g) Under a cafeteria plan within the meaning of section 125 of the
4 internal revenue code if such payment would not be treated as wages
5 without regard to such plan and it is reasonable to believe that, if
6 section 125 of the internal revenue code applied for purposes of this
7 section, section 125 of the internal revenue code would not treat any
8 wages as constructively received.

9 ~~6.~~ 7. Remuneration paid in any medium other than cash to an
10 employee for service not in the course of the employing unit's trade or
11 business.

12 ~~7.~~ 8. Remuneration paid for agricultural labor performed in any
13 medium other than cash.

14 ~~8.~~ 9. Any tip, gratuity or service charge received by an employee
15 except:

16 (a) Before January 1, 1986, if either of the following applies:

17 (i) It is specified and collected by the employing unit.

18 (ii) It is used by the employing unit in order to conform to the
19 minimum wage requirements of federal or state law.

20 (b) From and after December 31, 1985, if it is reported by the
21 employee in writing to the employer on or before the tenth day of the
22 month following the month in which it was received.

23 ~~9.~~ 10. Remuneration ~~which~~ THAT the individual receives for drill,
24 training or other national guard or reserve activity ~~which~~ THAT occurs on
25 not more than one weekend per month or in lieu of a weekend drill or the
26 equivalent.

27 ~~10.~~ 11. Remuneration paid to or on behalf of an employee if and to
28 the extent that at the time of the payment of the remuneration it is
29 reasonable to believe that a corresponding deduction is allowable under
30 section 217 of the internal revenue code relating to moving expenses
31 determined without regard to section 274(n) of the internal revenue code
32 relating to the disallowance of certain meal and entertainment expenses.

33 ~~11.~~ 12. Any contribution, payment or service provided by an
34 employer ~~which~~ THAT may be excluded from the gross income of any employee,
35 ~~his~~ THE EMPLOYEE'S spouse or ~~his~~ THE EMPLOYEE'S dependents under the
36 provisions of section 120 of the internal revenue code relating to amounts
37 received under qualified group legal services plans.

38 ~~12.~~ 13. Any payment made or benefit furnished to or for the
39 benefit of an employee if at the time of the payment or furnishing it is
40 reasonable to believe that the employee will be able to exclude the
41 payment or benefit from income under section 127, relating to educational
42 assistance, or section 129, relating to dependent care assistance, of the
43 internal revenue code.

44 ~~13.~~ 14. The value of any meals or lodging furnished by or on
45 behalf of the employer if at the time of the furnishing it is reasonable

1 to believe that the employee will be able to exclude these items from
2 income under section 119 of the internal revenue code.

3 ~~14.~~ 15. Any payment made by an employer to a survivor or the
4 estate of a former employee after the calendar year in which the employee
5 died.

6 ~~15.~~ 16. Any benefit provided to or on behalf of an employee if at
7 the time the benefit is provided it is reasonable to believe that the
8 employee will be able to exclude the benefit from income under section
9 74(c) relating to employee achievement awards, section 117 relating to
10 qualified scholarships or section 132 relating to certain fringe benefits
11 of the internal revenue code.

12 C. Subsection B, paragraphs ~~2~~ 3 through ~~15~~ 16 of this section do
13 not exclude from wages any of the following:

14 1. An employer contribution under a qualified cash or deferred
15 arrangement as defined in section 401(k) of the internal revenue code to
16 the extent the contribution is not included in gross income pursuant to
17 section 402(a)(8) of the internal revenue code relating to cash or
18 deferred arrangements.

19 2. An amount treated as an employer contribution under section
20 414(h)(2) of the internal revenue code, relating to tax treatment of
21 contributions by government units, if the employer picks up the
22 contribution pursuant to a written or unwritten salary reduction
23 agreement.

24 3. An amount deferred under any plan or other arrangement for
25 deferral of compensation other than a plan described in subsection B,
26 paragraph ~~5~~ 6 of this section. An amount considered as wages pursuant to
27 this paragraph shall be taxed only once and after being taxed shall not be
28 considered wages for the purposes of this chapter.

29 D. In applying ~~the provisions of~~ subsection B of this section, any
30 remuneration excluded from the definition of wages under 26 United States
31 Code section 3306(b) shall not be wages.

32 Sec. 2. Section 23-771, Arizona Revised Statutes, is amended to
33 read:

34 23-771. Eligibility for benefits

35 A. An unemployed individual is eligible to receive benefits with
36 respect to any week only if the department finds that the individual:

37 1. Has registered for work at and thereafter has continued to
38 report at an employment office in accordance with the regulations
39 prescribed by the department.

40 2. Has made a claim for benefits in accordance with section 23-772.

41 3. Is able to work.

42 4. Except for an individual who is applying for shared work
43 benefits pursuant to article 5.1 of this chapter, is available for work
44 and both of the following apply:

1 (a) The individual has engaged in a systematic and sustained effort
2 to obtain work during at least four days of the week.

3 (b) The individual has made at least one job contact per day on
4 four different days of the week.

5 5. Has been unemployed for a waiting period of one week. A week is
6 not counted as a week of unemployment for the purpose of this paragraph:

7 (a) Unless it occurs within the benefit year that includes the week
8 with respect to which the individual claims payment of benefits.

9 (b) Unless the individual was eligible for benefits with respect
10 ~~thereto~~ TO THE WEEK as provided in this section and sections 23-775,
11 23-776 and 23-777.

12 (c) If benefits have been paid in respect ~~thereto~~ TO THE WEEK.

13 6. Has met one of the following requirements:

14 (a) Has been paid wages for insured work during the individual's
15 base period equal to at least one and one-half times the wages paid to the
16 individual in the calendar quarter of the individual's base period in
17 which the wages were highest, and the individual has been paid wages for
18 insured work in one calendar quarter of the individual's base period equal
19 to an amount that is equal to at least three hundred ninety times the
20 minimum wage prescribed by section 23-363 that is in effect when the
21 individual files a claim for benefits.

22 (b) Has for a benefit year beginning on or after September 2, 1984,
23 been paid wages for insured work during at least two quarters of the
24 individual's base period and the amount of the wages paid in one quarter
25 would be sufficient to qualify the individual for the maximum weekly
26 benefit amount payable under this chapter and the total of the
27 individual's base-period wages is equal to or greater than the taxable
28 limit as specified in section 23-622, subsection B, ~~paragraph~~ PARAGRAPHS 1
29 AND 2.

30 7. Following the beginning date of a benefit year established under
31 this chapter or the unemployment compensation law of any other state and
32 before the effective date of a subsequent benefit year under this chapter,
33 has performed services whether or not in employment as defined in section
34 23-615 for which wages were payable in an amount equal to or in excess of
35 eight times the weekly benefit amount for which the individual is
36 otherwise qualified under section 23-779. In making a determination under
37 this paragraph the department shall use information available in its
38 records or require the individual to furnish necessary information within
39 thirty days after the date notice is given that the information is
40 required.

41 B. If an unemployed individual cannot establish a benefit year as
42 defined in section 23-609 due to receipt during the base period of
43 compensation for a temporary total disability pursuant to chapter 6 of
44 this title, or any similar federal law, the individual's base period shall
45 be the first four of the last five completed calendar quarters immediately

1 preceding the first day of the calendar week in which the disability
2 began. Wages previously used to establish a benefit year may not be
3 reused. This subsection does not apply unless all of the following occur:

4 1. The individual has filed a claim for benefits not later than the
5 fourth calendar week of unemployment after the end of the period of
6 disability.

7 2. The claim is filed within two years after the period of
8 disability begins.

9 3. The individual meets the requirements of subsection A of this
10 section.

11 4. The individual has attempted to return to the employment where
12 the temporary total disability occurred.

13 C. If an unemployed individual is a member of the national guard or
14 other reserve component of the United States armed forces, the individual
15 is not considered to be either employed or unavailable for work by reason
16 of the individual's participation in drill, training or other national
17 guard or reserve activity that occurs on not more than one weekend per
18 month or in lieu of a weekend drill or the equivalent.

19 D. The department shall not disqualify an individual from receiving
20 benefits under this chapter on the basis of the individual's separation
21 from employment if the individual is a victim of domestic violence and
22 leaves employment due to a documented case involving domestic violence
23 pursuant to section 13-3601 or 13-3601.02. Benefits paid to an individual
24 pursuant to this subsection shall not be charged against an employer's
25 account pursuant to section 23-727, subsection G.

26 E. For the purposes of subsection A, paragraph 6 of this section,
27 wages shall be counted as ~~“wages for insured work”~~ for benefit purposes
28 with respect to any benefit year only if that benefit year begins
29 subsequent to the date on which the employing unit by which those wages
30 were paid has become an employer subject to this chapter.

31 Sec. 3. Section 23-771.01, Arizona Revised Statutes, is amended to
32 read:

33 23-771.01. Approved training; definition

34 A. Notwithstanding any other provision of this chapter, no
35 otherwise eligible individual shall be denied benefits for any week **FOR**
36 **ANY OF THE FOLLOWING:**

37 1. Because ~~he~~ **THE INDIVIDUAL** is in training approved by the
38 secretary of labor under section 236 of the trade act of 1974, as amended,
39 or because of leaving work ~~which~~ **THAT** is not suitable employment to enter
40 such training.

41 2. Because ~~he~~ **THE INDIVIDUAL** is in training with the approval of
42 the department. ~~, not~~

43 3. Because of the application to any such week of such training of
44 any provision of this chapter relating to availability for work, active
45 search for work, ~~or~~ or refusal to apply for or accept work.

1 B. No payment of benefits under this chapter made possible under
2 this section shall be made to any individual for any week, or part of any
3 week, with respect to which ~~he~~ THE INDIVIDUAL is entitled to receive any
4 training allowance under any public training or retraining program if such
5 training allowance equals or exceeds the benefits to which the individual
6 would otherwise be entitled. If the training allowance is less than the
7 benefits to which the individual would otherwise be entitled, ~~his~~ THE
8 INDIVIDUAL'S benefits shall be computed in accordance with section 23-779,
9 subsection ~~C~~ D, treating the training allowance in the same manner as
10 wages, and benefits shall be paid accordingly.

11 C. ~~in~~ FOR THE PURPOSES OF this section, ~~unless the context~~
12 ~~otherwise requires,~~ "suitable employment" means, with respect to an
13 individual, work ~~which~~ THAT is of a substantially equal or higher skill
14 level than the individual's past adversely affected employment and for
15 which the wages equal or exceed eighty ~~per cent~~ PERCENT of the
16 individual's average weekly wage. FOR THE PURPOSES OF THIS SUBSECTION,
17 "adversely affected employment" and "average weekly wage" have the
18 meanings prescribed by section 247 of the trade act of 1974, as amended.

19 Sec. 4. Section 23-779, Arizona Revised Statutes, is amended to
20 read:

21 23-779. Amount of benefits

22 A. The weekly benefit amount of an individual shall be an amount
23 equal to one twenty-fifth of the person's total wages for insured work
24 paid during that quarter of the person's base period in which such total
25 wages were highest, but if:

26 ~~1. From and after June 30, 1999 and before July 1, 2004, this~~
27 ~~amount is more than two hundred five dollars, the weekly benefit amount~~
28 ~~shall be two hundred five dollars.~~

29 ~~2.~~ 1. From and after June 30, 2004 AND BEFORE THE EFFECTIVE DATE
30 OF THIS AMENDMENT TO THIS SECTION OR THE DATE THAT THE FEDERAL
31 UNEMPLOYMENT INSURANCE BENEFIT PROGRAMS ESTABLISHED UNDER THE CORONAVIRUS
32 AID, RELIEF, AND ECONOMIC SECURITY ACT (P.L. 116-136; 134 STAT. 281) AND
33 EXTENDED BY THE AMERICAN RESCUE PLAN ACT OF 2021, OR ANY SUBSEQUENT
34 FEDERAL LEGISLATION EXTENDING THESE PROGRAMS, EXPIRE, WHICHEVER IS LATER,
35 this amount is more than ~~two hundred forty dollars~~ \$240, the weekly
36 benefit amount shall be ~~two hundred forty dollars~~ \$240.

37 2. BEGINNING THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION
38 OR THE DATE THAT THE FEDERAL UNEMPLOYMENT INSURANCE BENEFIT PROGRAMS
39 ESTABLISHED UNDER THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT
40 (P.L. 116-136; 134 STAT. 281) AND EXTENDED BY THE AMERICAN RESCUE PLAN ACT
41 OF 2021, OR ANY SUBSEQUENT FEDERAL LEGISLATION EXTENDING THESE PROGRAMS,
42 EXPIRE, WHICHEVER IS LATER, AND BEFORE JULY 1 FOLLOWING THE DATE THAT THE
43 DEPARTMENT DETERMINES THAT THE CONDITION DESCRIBED IN SUBSECTION B OF THIS
44 SECTION HAS OCCURRED, THIS AMOUNT IS MORE THAN \$320, THE WEEKLY BENEFIT
45 AMOUNT SHALL BE \$320. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, AN

1 INDIVIDUAL'S BENEFIT AMOUNT SHALL BE REDETERMINED DURING THE PERSON'S
2 BENEFIT YEAR WHEN THE NEW MAXIMUM WEEKLY BENEFIT AMOUNT PRESCRIBED IN THIS
3 PARAGRAPH BECOMES EFFECTIVE.

4 3. BEGINNING JULY 1 FOLLOWING THE DATE THAT THE DEPARTMENT
5 DETERMINES THAT THE CONDITION DESCRIBED IN SUBSECTION B OF THIS SECTION
6 HAS OCCURRED, THIS AMOUNT IS MORE THAN \$400, THE WEEKLY BENEFIT AMOUNT
7 SHALL BE \$400.

8 B. EACH YEAR, THE DEPARTMENT SHALL DETERMINE WHETHER THIS STATE
9 MEETS THE FEDERAL ELIGIBILITY CRITERIA PRESCRIBED UNDER 20 CODE OF FEDERAL
10 REGULATIONS SECTION 606.32 AS EFFECTIVE ON JANUARY 1, 2021 TO RECEIVE AN
11 INTEREST-FREE UNEMPLOYMENT INSURANCE LOAN FROM THE FEDERAL GOVERNMENT. IF
12 THE DEPARTMENT DETERMINES THAT THIS STATE MEETS THE FEDERAL ELIGIBILITY
13 CRITERIA PRESCRIBED UNDER 20 CODE OF FEDERAL REGULATIONS SECTION 606.32 AS
14 EFFECTIVE ON JANUARY 1, 2021 TO RECEIVE AN INTEREST-FREE UNEMPLOYMENT
15 INSURANCE LOAN FROM THE FEDERAL GOVERNMENT BOTH OF THE FOLLOWING APPLY:

16 1. THE WEEKLY BENEFIT AMOUNT SHALL BE PERMANENTLY INCREASED AS
17 PRESCRIBED IN SUBSECTION A, PARAGRAPH 3 OF THIS SECTION ON JULY 1
18 FOLLOWING THE DATE THAT THE DEPARTMENT MAKES THIS DETERMINATION.

19 2. THE DEPARTMENT IS NOT REQUIRED TO MAKE THIS DETERMINATION IN
20 SUBSEQUENT YEARS.

21 ~~B.~~ C. If the weekly benefit amount is less than the maximum weekly
22 benefit prescribed in subsection A OF THIS SECTION and is not a multiple
23 of ~~one dollar~~ \$1, the amount shall be rounded to the nearest dollar, with
24 an even one-half dollar being rounded to the next higher multiple of ~~one~~
25 ~~dollar~~ \$1. An individual's benefit amount shall not be redetermined
26 during the person's benefit year because of a new maximum or minimum
27 weekly benefit amount becoming effective during the person's benefit year.

28 ~~C.~~ D. Each eligible individual unemployed with respect to any week
29 shall be paid with respect to that week a benefit in an amount equal to
30 the person's weekly benefit amount less that part of the wages, if any,
31 payable to the person with respect to that week ~~which~~ THAT is in excess of
32 ~~thirty dollars~~ \$160. The benefit, if not a multiple of ~~one dollar~~ \$1,
33 shall be rounded to the nearest dollar, with an even one-half dollar being
34 rounded to the next higher multiple of ~~one dollar~~ \$1.

35 Sec. 5. Section 23-780, Arizona Revised Statutes, is amended to
36 read:

37 23-780. Duration and amount of benefits; definition

38 A. An otherwise eligible individual ~~shall be~~ IS entitled during a
39 benefit year to a total amount of benefits equal to:

40 1. Twenty-six times ~~his~~ THE INDIVIDUAL'S weekly benefit amount, ~~but~~
41 ~~shall~~ IF EITHER OF THE FOLLOWING APPLIES:

42 (a) THE UNEMPLOYMENT RATE IN THE PRIOR CALENDAR QUARTER IS SIX
43 PERCENT OR MORE.

44 (b) THE GOVERNOR HAS DECLARED A STATE OF EMERGENCY THAT RESULTS IN,
45 OR IS CAUSED BY, CONDITIONS WHEREBY BUSINESSES MUST PAUSE OPERATIONS.

1 NOTWITHSTANDING SUBDIVISION (a) OF THIS PARAGRAPH AND PARAGRAPH 2 OF THIS
2 SUBSECTION, THIS SUBDIVISION APPLIES UNTIL THE STATE OF EMERGENCY IS
3 LIFTED EVEN IF THE UNEMPLOYMENT RATE IN THE PRIOR CALENDAR QUARTER IS LESS
4 THAN SIX PERCENT. IF THE UNEMPLOYMENT RATE IS LESS THAN SIX PERCENT WHEN
5 THE STATE OF THE EMERGENCY IS LIFTED, THE AMOUNTS PRESCRIBED IN PARAGRAPHS
6 2 AND 3 OF THIS SUBSECTION APPLY.

7 2. TWENTY-TWO TIMES THE INDIVIDUAL'S WEEKLY BENEFIT AMOUNT IF THE
8 UNEMPLOYMENT RATE IN THE PRIOR CALENDAR QUARTER IS AT LEAST FOUR AND
9 ONE-QUARTER PERCENT BUT LESS THAN SIX PERCENT.

10 3. TWENTY TIMES THE INDIVIDUAL'S WEEKLY BENEFIT AMOUNT IF THE
11 UNEMPLOYMENT RATE IN THE PRIOR CALENDAR QUARTER IS LESS THAN FOUR AND
12 ONE-QUARTER PERCENT.

13 B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, AN INDIVIDUAL MAY
14 not receive more than ~~one-third~~ ONE-THIRD of ~~his~~ THE INDIVIDUAL'S base
15 period earnings in ~~such~~ A benefit year.

16 C. FOR THE PURPOSES OF THIS SECTION, "UNEMPLOYMENT RATE IN THE
17 PRIOR CALENDAR QUARTER" MEANS THE AVERAGE OF THE SEASONALLY ADJUSTED
18 UNEMPLOYMENT RATES FOR THE THREE MONTHS OF THE MOST RECENTLY PUBLISHED
19 CALENDAR YEAR QUARTER AS PUBLISHED BY THE OFFICE OF ECONOMIC OPPORTUNITY.

20 Sec. 6. Title 23, chapter 4, article 7, Arizona Revised Statutes,
21 is amended by adding section 23-799.01, to read:

22 23-799.01. Fraud prevention; report

23 A. TO ENSURE PROGRAM INTEGRITY, THE DEPARTMENT SHALL OBTAIN CURRENT
24 EMPLOYMENT AND INCOME INFORMATION FROM EXTERNAL DATA SOURCES, INCLUDING
25 THIRD-PARTY VENDORS, THAT ARE CONSISTENT WITH UNEMPLOYMENT INSURANCE LAWS
26 AND UNITED STATES DEPARTMENT OF LABOR GUIDANCE, AS PART OF THE
27 DEPARTMENT'S EMPLOYMENT AND INCOME VERIFICATION PROCESS TO ACCURATELY
28 DETERMINE AN INDIVIDUAL'S ELIGIBILITY FOR UNEMPLOYMENT BENEFITS. THE DATA
29 SOURCES SHALL PROVIDE A VERIFICATION SERVICE THAT DELIVERS ACTUAL,
30 REAL-TIME AND NONMODELED EMPLOYMENT AND INCOME INFORMATION FURNISHED BY
31 EMPLOYERS. THE VERIFICATION SERVICE SHALL MINIMIZE ERRONEOUS
32 COMMUNICATIONS TO EMPLOYERS GENERATED FROM FRAUDULENT CLAIM APPLICATIONS.

33 B. ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DEPARTMENT SHALL
34 SUBMIT A REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE
35 SPEAKER OF THE HOUSE OF REPRESENTATIVES THAT CONTAINS DETAILS ON
36 UNEMPLOYMENT INSURANCE FRAUD FOR THE PREVIOUS FISCAL YEAR, INCLUDING ALL
37 OF THE FOLLOWING, AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY
38 OF STATE:

- 39 1. THE NUMBER OF FRAUDULENT CLAIMS.
- 40 2. THE TOTAL PAID IN FRAUDULENT CLAIMS.
- 41 3. THE IMPACT OF FRAUD ON EMPLOYER CONTRIBUTION RATES AND
42 EXPERIENCE RATINGS.

43 Sec. 7. Effective date

44 Section 23-780, Arizona Revised Statutes, as amended by this act, is
45 effective from and after December 31, 2021.