



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

REVISED #2
FACT SHEET FOR S.B. 1167

unemployment insurance; benefit amounts; definition

Purpose

Modifies the schedule outlining the duration during a benefit year in which an eligible individual is entitled to awards of unemployment insurance (UI) benefits.

Background

The federally-established UI Benefit Program, administered by the Department of Economic Security (DES) according to state law, provides unemployment benefits to persons unemployed through no fault of their own. Statute prescribes eligibility requirements relating to the reason for separation from employment, wages earned prior to unemployment and the individual's availability and work search activities ([A.R.S. Title 23, Chapter 4](#)).

An otherwise eligible individual is entitled during a benefit year to a weekly benefit amount (WBA) for the following durations: 1) 24 weeks, if the prior calendar quarter unemployment rate (UR) is less than 5 percent; or 2) 26 weeks, if the prior calendar quarter UR is 5 percent or more ([A.R.S. § 23-780](#)). Subject to a cap of \$320, the WBA of an eligible unemployed individual is equal to 1/25 of their highest quarter earnings during the first four quarters of the most recently completed five quarters. An unemployed individual may earn up to \$160 in a week for less than full-time work with no reduction to their WBA. Earnings in excess of the \$160 income disregard are subtracted from the WBA for which the individual qualifies ([A.R.S. § 23-779](#)).

Benefit payments are paid from Arizona's Unemployment Insurance Trust Fund (UITF) which is financed by a tax that employers pay on the first \$8,000 of wages paid to each employee in a calendar year ([A.R.S. Title 23, Chapter 4](#)). A state with an insolvent UITF may receive an advance from the Federal Unemployment Account and is eligible for the loan interest-free if, in the last five years, the state's UITF reached the federal solvency standard and the state maintained tax effort criteria ([20 CFR § 606.32](#)).

The Joint Legislative Budget Committee estimates that S.B. 1167 would reduce UI benefit payments by \$49,000,000 annually in the short term as weekly UI claims decrease by 22.1 percent. This estimate assumes the UR remains below five percent. DES estimates that S.B. 1167 would cost \$133,000 in the first year of implementation to update the UI computer system, of which a portion would be an ongoing expense. Both the savings from UI benefits payments and the associated administrative costs would accrue to UI-related funds as opposed to the state General Fund ([JLBC Fiscal Note](#)).

Provisions

1. Modifies the schedule outlining the duration during a benefit year in which an eligible individual is entitled to awards of UI benefits as follows:
 - a) 12 weeks, if the prior calendar quarter UR is 5 percent or less
 - b) 13 weeks, if the prior calendar quarter UR is more than 5 percent but no more than 5.5 percent;
 - c) 14 weeks, if the prior calendar quarter UR is more than 5.5 percent but no more than 6 percent;
 - d) 15 weeks, if the prior calendar quarter UR is more than 6 percent but no more than 6.5 percent;
 - e) 16 weeks, if the prior calendar quarter UR is more than 6.5 percent but no more than 7 percent;
 - f) 17 weeks, if the prior calendar quarter UR is more than 7 percent but no more than 7.5 percent;
 - g) 18 weeks, if the prior calendar quarter UR is more than 7.5 percent but no more than 8 percent;
 - h) 19 weeks, if the prior calendar quarter UR is more than 8 percent but no more than 8.5 percent; and
 - i) 20 weeks, if the prior calendar quarter UR is more than 8.5 percent.
2. Makes conforming changes.
3. Become effective on the general effective date.

Revision

- Updates the fiscal impact statement.

Prepared by Senate Research

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JT/sr