SLS 14RS-764 **ENGROSSED**

Regular Session, 2014

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SENATE BILL NO. 377

BY SENATOR MARTINY

UNEMPLOYMENT COMP. Provides relative to reciprocal agreements with federal and state agencies. (8/1/14)

AN ACT

2	To amend and reenact the introductory paragraph of R.S. 23:1665(A) and (A)(4), relative
3	to unemployment compensation; to provide for credit to employers for contributions
4	paid to another state or federal unemployment compensation fund; to remove the
5	administrative discretion with regard to award of such credit; to provide for the
6	setting of dates; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. The introductory paragraph of R.S. 23:1665(A) and (A)(4) are hereby
9	amended and reenacted to read as follows:
10	§1665. Reciprocal arrangements with federal and state agencies
11	A. The administrator may enter into shall propose reciprocal arrangements
12	with appropriate and duly authorized agencies of other states or of the United States
13	or both, whereby:
14	* * *
15	(4) For the purposes of R.S. 23:1543 through 1551, contributions due under
16	this Chapter only with respect to wages for insured work shall be deemed to have
17	been paid to the fund as of the date payment was made as contributions therefor

under another state or federal unemployment compensation law; provided that proof of the contribution is provided to the administrator, by a date to be set by the administrator, but no such arrangement shall be entered into unless it contains provisions for the reimbursement of such the contributions and the actual earnings thereon, as the administrator finds will be fair and reasonable as to all affected interests.

Reimbursements paid from the fund pursuant to Paragraph (3) of this Subsection shall be deemed to be benefits for the purpose of Parts II and V of this Chapter. The administrator may make to other state or federal agencies and receive from them, reimbursements from or to the fund, in accordance with arrangements entered into pursuant to the provisions of this Section.

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The original instrument was prepared by Mary Dozier O'Brien. The following digest, which does not constitute a part of the legislative instrument, was prepared by Carla S. Roberts.

DIGEST

Martiny (SB 377)

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<u>Present law</u> provides that the administrator for the unemployment insurance fund (executive director of the La. Workforce Commission) may enter into reciprocal arrangements with unemployment agencies of other states or the United States, or both, regarding the payment of unemployment contributions that are made by employers to other states or to the federal government.

<u>Proposed law</u> relieves the administrator of any discretion and requires that the administrator negotiate reciprocal arrangements with other states or the federal government.

<u>Present law</u> provides that unemployment insurance contributions due in Louisiana from an employer, with respect to wages for insured work, shall be deemed to have been paid to the Louisiana fund as of the date that the payment was made under another state or federal unemployment compensation law.

<u>Proposed law</u> retains <u>present law</u> but provides that proof of the contribution must be provided to the administrator by a date set by the administrator.

<u>Present law</u> provides that no such reciprocal arrangement shall be entered into unless it contains provisions for the reimbursement of such contributions and the actual earnings thereon, as the administrator finds will be fair and reasonable as to all affected interests.

<u>Proposed law</u> relieves discretion of the administrator to approve the reciprocal credit regarding the unemployment contributions made by employers to other states or to the federal government.

Effective August 1, 2014.

(Amends R.S. 23:1665(A)(intro para) and (A)(4))

Summary of Amendments Adopted by Senate

<u>Committee Amendments Proposed by Senate Committee on Labor and Industrial Relations to the original bill</u>

- 1. Removes discretion of the administrator and, therefore, mandates the administrator to enter into reciprocal arrangements with other states or the federal government.
- 2. Requires a date for proof of contributions.