As Passed by the Senate

130th General Assembly **Regular Session** 2013-2014

Sub. S. B. No. 25

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Senators Peterson, LaRose

Cosponsors: Senators Seitz, Schaffer, Uecker, Bacon, Hite

ABILL

То	amend section 4141.09 and to enact sections	1
	4141.50 to 4141.56 of the Revised Code to create	2
	the SharedWork Ohio Program and to declare an	3
	emergency.	4

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 4141.09 be amended and sections	5
4141.50, 4141.51, 4141.52, 4141.53, 4141.54, 4141.55, and 4141.56	6
of the Revised Code be enacted to read as follows:	7
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Sec. 4141.09. (A) There is hereby created an unemployment compensation fund to be administered by the state without liability on the part of the state beyond the amounts paid into 10 the fund and earned by the fund. The unemployment compensation 11 fund shall consist of all contributions, payments in lieu of 12 contributions described in sections 4141.241 and 4141.242 of the 13 Revised Code, reimbursements of the federal share of extended 14 benefits described in section 4141.301 of the Revised Code, 15 collected under sections 4141.01 to 4141.46 4141.56 of the Revised 16 Code, together with all interest earned upon any moneys deposited 17 with the secretary of the treasury of the United States to the 18 credit of the account of this state in the unemployment trust fund 19

established and maintained pursuant to section 904 of the "Social 20 Security Act," any property or securities acquired through the use 21 of moneys belonging to the fund, and all earnings of such property 22 or securities. The unemployment compensation fund shall be used to 23 pay benefits, shared work compensation as defined in section 24 4141.50 of the Revised Code, and refunds as provided by such 25 sections and for no other purpose. 26

- (B) The treasurer of state shall be the custodian of the 27 unemployment compensation fund and shall administer such fund in 28 accordance with the directions of the director of job and family 29 services. All disbursements therefrom shall be paid by the 30 treasurer of state on warrants drawn by the director. Such 31 warrants may bear the facsimile signature of the director printed 32 thereon and that of a deputy or other employee of the director 33 charged with the duty of keeping the account of the unemployment 34 compensation fund and with the preparation of warrants for the 35 payment of benefits to the persons entitled thereto. Moneys in the 36 clearing and benefit accounts shall not be commingled with other 37 state funds, except as provided in division (C) of this section, 38 but shall be maintained in separate accounts on the books of the 39 depositary bank. Such money shall be secured by the depositary 40 bank to the same extent and in the same manner as required by 41 sections 135.01 to 135.21 of the Revised Code; and collateral 42 pledged for this purpose shall be kept separate and distinct from 43 any collateral pledged to secure other funds of this state. All 44 sums recovered for losses sustained by the unemployment 45 compensation fund shall be deposited therein. The treasurer of 46 state shall be liable on the treasurer's official bond for the 47 faithful performance of the treasurer's duties in connection with 48 the unemployment compensation fund, such liability to exist in 49 addition to any liability upon any separate bond. 50
 - (C) The treasurer of state shall maintain within the

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unemployment compensation fund three separate accounts which shall	52
be a clearing account, a trust fund account, and a benefit	53
account. All moneys payable to the unemployment compensation fund,	54
upon receipt by the director, shall be forwarded to the treasurer	55
of state, who shall immediately deposit them in the clearing	56
account. Refunds of contributions, or payments in lieu of	57
contributions, payable pursuant to division (E) of this section	58
may be paid from the clearing account upon warrants signed by a	59
deputy or other employee of the director charged with the duty of	60
keeping the record of the clearing account and with the	61
preparation of warrants for the payment of refunds to persons	62
entitled thereto. After clearance thereof, all moneys in the	63
clearing account shall be deposited with the secretary of the	64
treasury of the United States to the credit of the account of this	65
state in the unemployment trust fund established and maintained	66
pursuant to section 904 of the "Social Security Act," in	67
accordance with requirements of the "Federal Unemployment Tax	68
Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301, 3304(a)(3), any law	69
in this state relating to the deposit, administration, release, or	70
disbursement of moneys in the possession or custody of this state	71
to the contrary notwithstanding. The benefit account shall consist	72
of all moneys requisitioned from this state's account in the	73
unemployment trust fund. Federal funds may be deposited, at the	74
director's discretion, into the benefit account. Any funds	75
deposited into the benefit account shall be disbursed solely for	76
payment of benefits under a federal program administered by this	77
state and for no other purpose. Moneys in the clearing and benefit	78
accounts may be deposited by the treasurer of state, under the	79
direction of the director, in any bank or public depositary in	80
which general funds of the state may be deposited, but no public	81
deposit insurance charge or premium shall be paid out of the fund.	82

(D) Moneys shall be requisitioned from this state's account in the unemployment trust fund solely for the payment of benefits

and in accordance with regulations prescribed by the director. The 85 director shall requisition from the unemployment trust fund such 86 amounts, not exceeding the amount standing to this state's account 87 therein, as are deemed necessary for the payment of benefits for a 88 reasonable future period. Upon receipt thereof, the treasurer of 89 state shall deposit such moneys in the benefit account. 90 Expenditures of such money in the benefit account and refunds from 91 the clearing account shall not require specific appropriations or 92 other formal release by state officers of money in their custody. 93 Any balance of moneys requisitioned from the unemployment trust 94 fund which remains unclaimed or unpaid in the benefit account 95 after the expiration of the period for which such sums were 96 requisitioned shall either be deducted from estimates for and may 97 be utilized for the payment of benefits during succeeding periods, 98 or, in the discretion of the director, shall be redeposited with 99 the secretary of the treasury of the United States to the credit 100 of this state's account in the unemployment trust fund, as 101 provided in division (C) of this section. Unclaimed or unpaid 102 federal funds redeposited with the secretary of the treasury of 103 the United States shall be credited to the appropriate federal 104 account. 105

(E) No claim for an adjustment or a refund on contribution, 106 payment in lieu of contributions, interest, or forfeiture alleged 107 to have been erroneously or illegally assessed or collected, or 108 alleged to have been collected without authority, and no claim for 109 an adjustment or a refund of any sum alleged to have been 110 excessive or in any manner wrongfully collected shall be allowed 111 unless an application, in writing, therefor is made within four 112 years from the date on which such payment was made. If the 113 director determines that such contribution, payment in lieu of 114 contributions, interest, or forfeiture, or any portion thereof, 115 was erroneously collected, the director shall allow such employer 116 to make an adjustment thereof without interest in connection with 117

subsequent contribution payments, or payments in lieu of	118
contributions, by the employer, or the director may refund said	119
amount, without interest, from the clearing account of the	120
unemployment compensation fund, except as provided in division (B)	121
of section 4141.11 of the Revised Code. For like cause and within	122
the same period, adjustment or refund may be so made on the	123
director's own initiative. An overpayment of contribution, payment	124
in lieu of contributions, interest, or forfeiture for which an	125
employer has not made application for refund prior to the date of	126
sale of the employer's business shall accrue to the employer's	127
successor in interest.	128

An application for an adjustment or a refund, or any portion 129 thereof, that is rejected is binding upon the employer unless, 130 within thirty days after the mailing of a written notice of 131 rejection to the employer's last known address, or, in the absence 132 of mailing of such notice, within thirty days after the delivery 133 of such notice, the employer files an application for a review and 134 redetermination setting forth the reasons therefor. The director 135 shall promptly examine the application for review and 136 redetermination, and if a review is granted, the employer shall be 137 promptly notified thereof, and shall be granted an opportunity for 138 139 a prompt hearing.

(F) If the director finds that contributions have been paid 140 to the director in error, and that such contributions should have 141 been paid to a department of another state or of the United States 142 charged with the administration of an unemployment compensation 143 law, the director may upon request by such department or upon the 144 director's own initiative transfer to such department the amount 145 of such contributions, less any benefits paid to claimants whose 146 wages were the basis for such contributions. The director may 147 request and receive from such department any contributions or 148 adjusted contributions paid in error to such department which 149

should have been paid to the director.

(G) In accordance with section 303(c)(3) of the Social 151 Security Act, and section 3304(a)(17) of the Internal Revenue Code 152 of 1954 for continuing certification of Ohio unemployment 153 compensation laws for administrative grants and for tax credits, 154 any interest required to be paid on advances under Title XII of 155 the Social Security Act shall be paid in a timely manner and shall 156 not be paid, directly or indirectly, by an equivalent reduction in 157 the Ohio unemployment taxes or otherwise, by the state from 158 amounts in the unemployment compensation fund. 159

- (H) The treasurer of state, under the direction of the 160 director and in accordance with the "Cash Management Improvement 161 Act of 1990, " 104 Stat. 1061, 31 U.S.C.A. 335, 6503, shall deposit 162 amounts of interest earned by the state on funds in the benefit 163 account established pursuant to division (C) of this section into 164 the department of job and family services banking fees fund, which 165 is hereby created in the state treasury for the purpose of paying 166 related banking costs incurred by the state for the period for 167 which the interest is calculated, except that if the deposited 168 interest exceeds the banking costs incurred by the state for the 169 period for which the interest is calculated, the treasurer of 170 state shall deposit the excess interest into the unemployment 171 trust fund. 172
- (I) The treasurer of state, under the direction of the 173 director, shall deposit federal funds received by the director for 174 training and administration and for payment of benefits, job 175 search, relocation, transportation, and subsistence allowances 176 pursuant to the "Trade Act of 1974," 88 Stat. 1978, 19 U.S.C.A. 177 2101, as amended; the "North American Free Trade Agreement 178 Implementation Act, " 107 Stat. 2057 (1993), 19 U.S.C.A. 3301, as 179 amended; and the "Trade Act of 2002," 116 Stat. 993, 19 U.S.C.A. 180 3801, as amended, into the Trade Act training and administration 181

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appropriate, in training to enhance job skills approved by the

director, including employer-sponsored training or worker training

(7) Includes any other information as required by the United

funded under the federal "Workforce Investment Act of 1998," 112

Stat. 936, 29 U.S.C. 2801 et seq., as amended;

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States secretary of labor or the director under the rules the	273
director adopts under section 4141.50 of the Revised Code;	274
(8) Includes an attestation by the employer that the terms of	275
the written plan submitted by the employer and implementation of	276
that plan are consistent with obligations of the employer under	277
the applicable federal and state laws;	278
(9) Includes a certification by the employer that the	279
employer will promptly notify the director of any change in the	280
business that includes the sale or transfer of all or part of the	281
business, and that the employer will notify any successor in	282
interest to the employer's business prior to the transfer of all	283
or part of the business, of the existence of any approved shared	284
work plan;	285
(10) Includes a certification by the employer that, as of the	286
date the employer submits the plan, the employer is current on all	287
reports and has paid all contributions, reimbursements, interest,	288
and penalties due under this chapter;	289
(11) Includes an assurance from the employer that the	290
employer will remain current on all employer reporting and	291
payments of contributions, reimbursements, interest, and penalties	292
as required by this chapter;	293
(12) Includes a certification by the employer that none of	294
the participating employees are employed on a seasonal, temporary,	295
or intermittent basis;	296
(13) Includes an assurance from the employer that the	297
employer will not reduce a participating employee's normal weekly	298
hours of work by more than the reduction percentage, except in the	299
event of a temporary closure of the employer's business for	300
equipment maintenance, or when the employee receives remuneration	301
from the employer equal to the remuneration the employee would	302
have received if the employee had worked the number of hours	303

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assigned under the plan.	304
(B) The director shall approve a shared work plan if an	305
employer includes in the plan all of the information,	306
certifications, and assurances required under division (A) of this	307
section.	308
(C) The director shall approve or deny a shared work plan and	309
shall send a written notice to the employer stating whether the	310
director approved or denied the plan not later than thirty days	311
after the director receives the plan. If the director denies	312
approval of a shared work plan, the director shall state the	313
reasons for denying approval in the written notice sent to the	314
employer.	315
(D) The director shall enforce the requirements of the	316
SharedWork Ohio program in the same manner as the director	317
enforces the requirements of this chapter, including under section	318
4141.40 of the Revised Code.	319
Sec. 4141.52. (A) A shared work plan approved under section	320
4141.51 of the Revised Code takes effect with respect to the week	321
following the date the director of job and family services	322
approves the plan. An approved shared work plan expires at the end	323
of the fifty-second calendar week after approval of the plan.	324
(B) A participating employer who wishes to modify an existing	325
approved shared work plan shall submit the modified plan to the	326
director. The director shall evaluate the modified plan and may	327
approve the plan if the plan meets the requirements for approval	328
under section 4141.51 of the Revised Code. If approved, a modified	329
plan supersedes the previously approved shared work plan,	330
effective beginning with the week following the date the director	331
approves the modified plan. The director shall not approve a	332
modified plan that fails to satisfy the requirements for approval	333
under section 4141.51 of the Revised Code.	334

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week and is in effect for that week.	365
(2) The individual is available for work and is actively	366
seeking work by being available for the individual's normal weekly	367
hours of work.	368
(3) The individual's normal weekly hours of work with the	369
participating employer have been reduced by at least ten per cent	370
but not more than fifty per cent.	371
(4) The individual has been employed by an employer or	372
employers subject to this chapter in at least twenty qualifying	373
weeks within the individual's base period and has earned or been	374
paid remuneration at an average weekly wage of not less than	375
twenty-seven and one-half per cent of the statewide average weekly	376
wage for those weeks.	377
(5) The individual has been subject to a shared work plan for	378
at least one week prior to the week for which the compensation is	379
to be paid, or otherwise satisfies the waiting period requirement	380
of division (B) of section 4141.29 of the Revised Code for the	381
<u>individual's benefit year.</u>	382
(6) The individual otherwise satisfies the requirements of	383
this chapter and is not otherwise disqualified from receiving	384
unemployment compensation benefits.	385
(B) For purposes of division (A)(2) of this section, an	386
individual is available for the individual's normal weekly hours	387
of work with the participating employer if the individual does any	388
of the following:	389
(1) Works the number of weekly hours assigned to the	390
individual under an approved shared work plan;	391
(2) Works fewer hours than the number of weekly hours	392
assigned to the individual under an approved shared work plan and	393
receives remuneration from the participating employer equal to the	394

remuneration the individual would have received if the individual	395
had worked the number of hours assigned under the plan;	396
(3) Works fewer hours than the number of weekly hours	397
assigned to the individual under an approved shared work plan and	398
receives less remuneration than the individual would have received	399
if the individual had worked the number of hours assigned under	400
the plan if the reduction in hours was not the fault of the	401
individual and was not more than fifty per cent of the	402
individual's normal weekly hours of work.	403
(C)(1) Except as provided in division (C)(2) of this section,	404
the director of job and family services shall pay a participating	405
employee who is eligible for weekly shared work compensation in an	406
amount equal to the participating employee's weekly benefit amount	407
as described in division (B) of section 4141.30 of the Revised	408
Code for a period of total unemployment, multiplied by the	409
reduction percentage specified in the approved shared work plan	410
applicable to the participating employee.	411
(2) The director shall pay a participating employee who is	412
eligible for weekly shared work compensation in an amount equal to	413
the participating employee's weekly benefit amount as described in	414
division (B) of section 4141.30 of the Revised Code for a period	415
of total unemployment, multiplied by the percentage by which the	416
participating employee's normal weekly hours of work were actually	417
reduced during the workweek, if all of the following apply:	418
(a) The participating employee worked fewer hours in a week	419
than the number of hours assigned to the employee in an approved	420
shared work plan.	421
(b) The participating employee did not receive remuneration	422
equal to the remuneration the employee would have received if the	423
employee had worked the number of hours assigned to the employee	424
in the approved shared work plan.	425

(c) The reduction in the participating employee's hours was	426
not greater than fifty per cent of the employee's normal weekly	427
hours of work.	428
(d) The reduction in the participating employee's hours below	429
the number of hours assigned to the employee in the approved	430
shared work plan was not the fault of the employee.	431
(3) The director shall determine fault for purposes of	432
divisions (B)(3) and (C)(2)(d) of this section in the same manner	433
that the director makes determinations for benefit rights and	434
determines claims for unemployment compensation benefits under	435
sections 4141.28 and 4141.281 of the Revised Code.	436
(4) The director shall round the amount of a shared work	437
compensation payment that is not a multiple of one dollar to the	438
next lower multiple of one dollar.	439
(5) No shared work compensation shall be payable during the	440
one-week period described in division (A)(5) of this section.	441
(D) A participating employee is not entitled to receive	442
shared work compensation and unemployment compensation benefits	443
that, when combined, exceed the maximum total benefits payable to	444
the participating employee in a benefit year under section 4141.30	445
of the Revised Code. No participating employee shall be paid	446
shared work compensation during the employee's benefit year in an	447
amount that exceeds twenty-six times the amount of the employee's	448
weekly benefit amount for a period of total unemployment under	449
section 4141.30 of the Revised Code.	450
(E) An individual who has received all of the shared work	451
compensation and unemployment compensation benefits available in a	452
benefit year is an individual who has exhausted regular benefits	453
under section 4141.30 of the Revised Code and is entitled to	454
receive extended benefits under section 4141.301 of the Revised	455
Code if the individual is otherwise eligible to receive benefits	456

under that section.	457
(F) The director shall not pay shared work compensation to an	458
individual for a week during which the individual performs paid	459
work for the individual's participating employer that exceeds the	460
reduced hours established under an approved shared work plan that	461
covers the individual.	462
(G)(1) Except as provided in divisions (G)(3) and (4) of this	463
section, a participating employee is not eligible to receive	464
benefits for being partially unemployed for any week during which	465
the individual works as a participating employee.	466
(2) If in any week a participating employee performs services	467
for a participating employer and an employer other than the	468
participating employer, the weekly shared work compensation amount	469
payable to that employee shall be reduced by the amount by which	470
the remuneration received from the other employer exceeds twenty	471
per cent of the participating employee's weekly benefit amount, as	472
calculated under division (B) of section 4141.30 of the Revised	473
Code, for a period of total unemployment.	474
(3) A participating employee who performs no services during	475
a week for the participating employer and who is otherwise	476
eligible may be paid benefits for being totally or partially	477
unemployed for that week.	478
(4) A participating employee whose normal weekly hours of	479
work are reduced by more than fifty per cent and who is otherwise	480
eligible may be paid benefits for partial unemployment for that	481
week.	482
(H) Any payment of total or partial unemployment compensation	483
benefits under this section is not a payment of shared work	484
compensation under an approved plan but shall be calculated	485
against the maximum total benefits payable to the participating	486
employee in a benefit year under section 4141.30 of the Revised	487

Code.	488
(I) If in any week a participating employee reports the	489
receipt of any type of payment listed in division (A) of section	490
4141.31 of the Revised Code that comes from a source other than	491
the participating employer, the weekly shared work compensation	492
amount payable to that employee shall be reduced by the amount of	493
those payments received for that week.	494
(J) For purposes of this section and unless another benefit	495
year applies to the individual, notwithstanding division (R)(1) of	496
section 4141.01 of the Revised Code, a participating employee's	497
"benefit year" is the fifty-two week period beginning with the	498
first day of that week with respect to which the employee's	499
participating employer first files a claim on behalf of the	500
participating employee pursuant to division (B) of section 4141.54	501
of the Revised Code.	502
Sec. 4141.54. (A) Notwithstanding any provision in this	503
chapter to the contrary, a participating employee who satisfies	504
the availability requirement of division (A)(2) of section 4141.53	505
of the Revised Code shall not be required to be totally or	506
partially unemployed within the meaning of division (M) or (N) of	507
section 4141.01 of the Revised Code, shall not be required to file	508
a claim for unemployment compensation benefits pursuant to section	509
4141.28 of the Revised Code, and shall not be required to meet	510
ability to work, availability for work, and work search	511
requirements that would otherwise be applicable to the	512
participating employee, to receive shared work compensation under	513
the SharedWork Ohio program.	514
(B) The director of job and family services shall establish a	515
schedule of consecutive two-week periods within the effective	516
period of each approved shared work plan for the filing of shared	517
work compensation claims. At the end of each scheduled period, the	518

continuating omployer shall file slaims on behalf of the	519
participating employer shall file claims on behalf of the	
participating employer's participating employees. A participating	520
employee shall attest to the hours reported and provide additional	521
information as is requested by the director. A participating	522
employer shall file claims and a participating employee shall	523
attest to hours worked according to the procedures prescribed in	524
rules adopted by the director.	525
Sec. 4141.55. (A) If the state is eligible for and receives	526
reimbursement for shared work compensation paid under the	527
SharedWork Ohio program from the federal government pursuant to	528
the federal "Layoff Prevention Act of 2012," Pub. L. No. 112-96,	529
126 Stat. 156, notwithstanding section 4141.24 of the Revised Code	530
and if permitted under that act, during the time period in which	531
the state is reimbursed the account of an employer shall not be	532
charged for any shared work compensation paid to a participating	533
employer's participating employees. Beginning with the week for	534
which the federal government no longer provides reimbursement, or	535
if the state does not receive reimbursement or the federal	536
government requires an employer's account to be charged, any	537
shared work compensation paid to an individual shall be charged in	538
accordance with division (B) of this section.	539
(B) Except as provided in division (A) of this section, any	540
shared work compensation paid to an individual under section	541
4141.53 of the Revised Code shall be charged in accordance with	542
division (D) of section 4141.24 of the Revised Code.	543
Sec. 4141.56. Beginning one year after the effective date of	544
this section, and every year thereafter, the director of job and	545
family services shall prepare and submit a report to the governor,	546
the president and minority leader of the senate, and the speaker	547
and the minority leader of the house of representatives that	548
discusses the utilization of the SharedWork Ohio program created	549

under section 4141.50 of the Revised Code. The director shall	550
include in that report the number of employers and employees	551
participating in the program, the amount of shared work	552
compensation paid under the program during the immediately	553
preceding year, and any other information the director considers	554
to be relevant.	555
Section 2. That existing section 4141.09 of the Revised Code	556
is hereby repealed.	557
Section 3. The Director of Job and Family Services shall	558
prepare and submit a report evaluating the utilization and	559
effectiveness of the SharedWork Ohio Program created under section	560
4141.50 of the Revised Code, as enacted by this act, and the	561
impact of the Program on the Unemployment Compensation Fund	562
created in section 4141.09 of the Revised Code. The Director shall	563
base the report upon the information contained in the reports the	564
Director prepares under section 4141.56 of the Revised Code, as	565
enacted by this act. The Director shall submit the report to the	566
Governor, the President and Minority Leader of the Senate, and the	567
Speaker and the Minority Leader of the House of Representatives	568
not later than three years after the effective date of this act.	569
Section 4. The federal "Layoff Prevention Act of 2012," Pub.	570
L. No. 112-96, 126 Stat. 156, permits a state to receive federal	571
funding to create a program under which an employer reduces the	572
hours worked by the employer's employees in lieu of laying off	573
those employees. This act creates the "SharedWork Ohio" program, a	574
program that permits an employer to reduce hours worked by the	575
employer's employees in lieu of laying off those employees and	576
permits those employees to receive a proportionate share of	577
unemployment compensation benefits. The Director of Job and Family	578

Services shall implement "SharedWork Ohio" in accordance with

measure necessary for the immediate preservation of the public 586 peace, health, and safety. The reason for such necessity is so 587 that employers can continue to employ Ohioans who would otherwise 588 be victims of total job displacement. Therefore, this act shall go 589 into immediate effect. 590