

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 12-0493.01 Bart Miller x2173

HOUSE BILL 12-1127

HOUSE SPONSORSHIP

Liston, Priola, Holbert, Swalm, Swerdfeger, Szabo

SENATE SPONSORSHIP

Williams S.,

House Committees

Economic and Business Development

Senate Committees

Business, Labor and Technology

A BILL FOR AN ACT

101 **CONCERNING ELIMINATION OF AN INCREASE IN THE UNEMPLOYMENT**
102 **INSURANCE PREMIUM RATE FOR NEW EMPLOYERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The current unemployment insurance premium rate for new employers is 0.0170. In legislation enacted in 2011 (House Bill 11-1088), once solvency in the unemployment insurance fund is achieved, the rate for new employers would increase. This bill eliminates this rate increase and keeps the rate at 0.0170 after solvency in the unemployment

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unam ended
March 5, 2012

HOUSE
3rd Reading Unam ended
February 9, 2012

HOUSE
Am ended 2nd Reading
February 8, 2012

insurance fund is reached.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 8-76-102.5, **amend**
3 (3) (a) and (4) (a) as follows:

4 **8-76-102.5. Rates effective upon fund solvency - repeal of**
5 **prior rates - solvency surcharge - definitions.** (3) (a) (I) Each
6 employer's rate for the twelve months commencing January 1 of any
7 calendar year ~~shall be~~ IS determined on the basis of the employer's record
8 prior to the computation date for the year. The computation date for any
9 calendar year is July 1 of the year preceding the calendar year for which
10 the rate is computed.

11 (II) The total of all of an employer's premiums paid on his or her
12 own behalf on or before thirty-one days immediately after the
13 computation date and the total benefits that were chargeable to the
14 employer's account and were paid before the computation date, with
15 respect to weeks, or any established payroll period of unemployment,
16 beginning before the computation date, ~~shall be~~ IS used to compute his or
17 her premium rate for the ensuing calendar year; except that the maximum
18 rate for negative excess employers that is credited to the unemployment
19 compensation fund ~~shall~~ MUST be at least 0.0613 assessed as part of each
20 employer's premium under this paragraph (a), and for these employers the
21 maximum combined premium rate ~~shall~~ MUST be at least 0.0628 but not
22 greater than 0.1039. "Percent of excess" means the percentage resulting
23 from dividing the excess of premiums paid over benefits charged by the
24 average chargeable payroll, computed to the nearest one percent. The
25 word "to" in the column headings, which make reference to fund balances

- 1 (resources available for benefits), means "not including". "Reserve ratio"
- 2 means the fund balance on any June 30 as a proportion of total wages
- 3 reported by experience-rated employers.

Standard Premium Rate Schedule

		Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve
		Ratio	Ratio	Ratio	Ratio	Ratio	Ratio	Ratio
		0.014 or	0.011 to	0.008 to	0.006 to	0.004 to	0.000 to	0.000 to
		Greater	0.014	0.011	0.008	0.006	0.004	Deficit
6	Eligible							
7	Employers Percent of Excess							
8	+20 or more	0.0051	0.0056	0.0058	0.0062	0.0066	0.0071	0.0075
9	+18 to +19	0.0057	0.0062	0.0064	0.0069	0.0073	0.0078	0.0082
10	+16 to +17	0.0058	0.0063	0.0065	0.0070	0.0074	0.0079	0.0084
11	+14 to +15	0.0061	0.0067	0.0069	0.0075	0.0080	0.0086	0.0091
12	+12 to +13	0.0066	0.0072	0.0075	0.0082	0.0088	0.0095	0.0101
13	+10 to +11	0.0075	0.0083	0.0087	0.0094	0.0102	0.0110	0.0118
14	+8 to +9	0.0095	0.0105	0.0110	0.0120	0.0130	0.0140	0.0150
15	+6 to +7	0.0116	0.0129	0.0135	0.0148	0.0160	0.0173	0.0186
16	+4 to +5	0.0138	0.0154	0.0161	0.0177	0.0192	0.0207	0.0223
17	+2 to +3	0.0193	0.0214	0.0225	0.0247	0.0269	0.0291	0.0313
18	+0 to +1	0.0271	0.0302	0.0317	0.0348	0.0379	0.0410	0.0441
19	Unrated	0.0296 0.0170	0.0326 0.0170	0.0342 0.0170	0.0373 0.0170	0.0403 0.0170	0.0434 0.0170	0.0465 0.0170
20	-0 to -1	0.0346	0.0386	0.0406	0.0447	0.0487	0.0527	0.0568

1	-2 to -3	0.0368	0.0412	0.0433	0.0476	0.0519	0.0562	0.0606
2	-4 to -5	0.0391	0.0437	0.0460	0.0506	0.0552	0.0598	0.0644
3	-6 to -7	0.0414	0.0462	0.0487	0.0535	0.0584	0.0633	0.0682
4	-8 to -9	0.0436	0.0488	0.0514	0.0565	0.0617	0.0668	0.0720
5	-10 to -11	0.0459	0.0513	0.0540	0.0595	0.0649	0.0703	0.0758
6	-12 to -13	0.0481	0.0539	0.0567	0.0624	0.0681	0.0738	0.0796
7	-14 to -15	0.0504	0.0564	0.0594	0.0654	0.0714	0.0774	0.0834
8	-16 to -17	0.0527	0.0589	0.0621	0.0683	0.0746	0.0809	0.0872
9	-18 to -19	0.0549	0.0615	0.0648	0.0713	0.0779	0.0844	0.0910
10	-20 to -21	0.0572	0.0640	0.0674	0.0743	0.0811	0.0879	0.0948
11	-22 to -23	0.0594	0.0666	0.0701	0.0772	0.0843	0.0914	0.0986
12	-24 to -25	0.0617	0.0690	0.0727	0.0801	0.0875	0.0949	0.1023
13	More							
14	than -25	0.0628	0.0703	0.0740	0.0815	0.0890	0.0964	0.1039

1 (4) (a) THE DIVISION SHALL DETERMINE EMPLOYER PREMIUM RATES
2 FOR EMPLOYERS NEWLY SUBJECT TO ARTICLES 70 TO 82 OF THIS TITLE
3 EACH YEAR AS OF THE COMPUTATION DATE IN ACCORDANCE WITH
4 SUBSECTION (3) OF THIS SECTION. New employers pay the same premiums
5 as unrated employers as prescribed in subsection (3) of this section OR AT
6 THE COMPUTED RATE, WHICHEVER IS HIGHER, unless there have been
7 twelve consecutive calendar months immediately preceding the
8 computation date during which an employer's account has been
9 chargeable with benefit payments.

10 **SECTION 2. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, and safety.