

**HB 2255.E - DIGEST**

(DIGEST AS ENACTED)

Finds that the unemployment insurance system, created to set aside unemployment reserves to be used for the benefit of persons who are unemployed through no fault of their own and to maintain purchasing power and limit the social consequences of unemployment, is falling short of its goals by failing to recognize the importance of applying liberal construction for the purpose of reducing involuntary unemployment, and the suffering caused by it, to the minimum, and by failing to provide equitable benefits to unemployed workers.

Recognizes the desirability of managing the system to take into account the goal of reducing costs to foster a competitive business climate.

Declares an intent to adjust the balance between these goals by reinstating the requirement for liberal construction and making other adjustments in the system that will allow reasonable improvements in benefit equity, including reinstating a weekly benefit calculation based on the wages in the two quarters of the claimant's base year in which wages were the highest.

Finds that these adjustments are critical to the health and welfare of unemployed workers, and to the purchasing power essential to the economic health and welfare of communities and the state, and should be implemented as soon as feasible.

Provides that, by October 1, 2006, and October 1, 2007, the employment security department must report to the appropriate committees of the legislature on the impact, or projected impact, of sections 2 and 3, chapter ..., Laws of 2005 (sections 2 and 3 of this act) on the unemployment trust fund in the three consecutive fiscal years beginning with the year before the report date.

Establishes the joint legislative task force on unemployment insurance benefit equity.

Requires the task force to review the unemployment insurance system, including, but not limited to, whether the benefit structure provides for equitable benefits, whether the structure fairly accounts for changes in the work force and industry work patterns, including seasonality, and for claimants' annual work patterns, whether the tax structure provides for an equitable distribution of taxes, and whether the trust fund is adequate in the long term.

Requires the task force to report its findings and recommendations to the legislature by January 1, 2006.