



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

Senate: APPROP DPA/SE 9-1-0-0 | 3rd Read 25-4-1-0

House: APPROP DPA 10-3-0-0

SB 1411: unemployment insurance; benefits; duration; fraud

Sponsor: Senator Fann, LD 1

Caucus & COW

Overview

Modifies unemployment insurance by: 1) increasing the maximum weekly unemployment benefit amount and the maximum taxable wages; 2) decreasing the duration of benefits when the unemployment rate is below 6%; and 3) enacting fraud prevention requirements.

History

The Department of Economic Security (DES) administers the unemployment insurance benefit program, which provides benefit payments to eligible unemployed individuals who are unemployed through no fault of their own and are actively looking for work (A.R.S. §§ [23-611](#); [23-771](#)). Benefits are paid through the state's Unemployment Compensation Fund, through a tax on wages up to \$7,000 (A.R.S. §§ [23-701](#); [23-622](#)).

The maximum weekly benefit amount is equal to the lesser of: 1) one twenty-fifth (4%) of the unemployed individual's total wages paid during the quarter of the base period where the wages are the highest; or 2) \$240. Under current law, an individual's benefit may not be redetermined during a benefit year because of a new weekly benefit amount becoming effective during that benefit year ([A.R.S. § 23-779](#)). An individual may receive benefits for up to 26 weeks ([A.R.S. § 23-780](#)).

If the Unemployment Compensation Fund is insolvent, it may receive a loan from the Federal Unemployment Account, which may be interest-free if, in the past five years, the state reached a solvency standard and maintained tax effort criteria ([20 C.F.R. § 606.32](#)).

Provisions

1. Increases, from \$7,000 to \$8,000, the maximum taxable wages, beginning in calendar year 2022. (Sec. 1)
2. Increases the maximum weekly benefit amount from \$240 to:
 - a) \$320, beginning on the later of:
 - i. The general effective date; or
 - ii. The expiration of the federal unemployment insurance benefit programs under the Coronavirus Aid, Relief, and Economic Security Act and extended by the American Rescue Plan Act of 2021 or any subsequent federal legislation extending the programs;
 - b) \$400, beginning on July 1 following the date DES determines the state meets the federal eligibility criteria for interest-free unemployment insurance loans from the federal government. (Sec. 4)
3. Requires the recalculation of the weekly benefit amount during a benefit year when the maximum weekly benefit amount increases to \$320. (Sec. 4)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note

4. Directs DES to annually determine if the state meets federal eligibility criteria for interest-free unemployment insurance loans from the federal government, at which time DES no longer is required to make the determination in future years. (Sec. 4)
5. Increases, from \$30 to \$160, the amount an individual may earn without a reduction to their weekly unemployment benefit amount. (Sec. 4)
6. Reduces, beginning January 1, 2022, the duration of unemployment insurance benefits from 26 weeks to:
 - a) 22 weeks if the *unemployment rate in the prior calendar quarter* is between 4.25% and 6%; and
 - b) 20 weeks if the *unemployment rate in the prior calendar quarter* is less than 4.25% (Sec. 5, 7)
7. Allows, beginning January 1, 2022, the duration of unemployment insurance benefits to be 26 weeks if either:
 - a) The unemployment rate in the prior quarter is 6% or greater; or
 - b) The Governor has declared a state of emergency that results in, or is caused by, businesses pausing operations, for the duration of the state of emergency. (Sec. 5, 7)
8. Requires DES to obtain external employment and income information as part of the verification process to determine an individual's eligibility for unemployment insurance. (Sec. 6)
9. Instructs DES to submit an annual report to the Governor, President of the Senate, Speaker of the House of Representatives and Secretary of State detailing unemployment insurance fraud and specified measurements. (Sec. 6)
10. Removes archaic language. (Sec. 1, 4)
11. Defines *unemployment rate in the prior calendar quarter*. (Sec. 5)
12. Makes technical and conforming changes. (Sec. 1, 2, 3, 4, 5)

Amendments

Committee on Appropriations

1. Removes the requirements that the external employment and income information must be actual, real-time and nonmodeled and provided by employers.