

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**HOUSE BILL 1040
RATIFIED BILL**

AN ACT RELATING TO THE TEMPORARY EXTENDED UNEMPLOYMENT
BENEFITS SECOND TIER BENEFIT QUALIFICATION FOR NORTH
CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 96-12.01(a1)(4) reads as rewritten:

- "(4) There is an "on indicator" for this State for a week if the Commission determines, in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediate preceding 12 weeks, the rate of insured unemployment (not seasonally adjusted) under this Chapter:
- a. Equaled or exceeded one hundred twenty percent (120%) of the average of such rates for the corresponding 13-week period ending in each of the preceding two calendar years, and equaled or exceeded five percent (5%), or
 - b. Equaled or exceeded six percent ~~(6%)~~ (6%), or
 - c. With respect to benefits for weeks of unemployment in North Carolina beginning after May 1, 2002.
 1. The average rate of total unemployment (seasonally adjusted), as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of such week equals or exceeds a six and one-half percent (6.5%), and
 2. The average rate of total unemployment in the State (seasonally adjusted), as determined by the United States Secretary of Labor, for the three-month period referred to in sub-subdivision c.1. of this subdivision, equals or exceeds one hundred ten percent (110%) of such average for either or both of the corresponding three-month periods ending in the two preceding calendar years.
 - d. There is a State "off indicator" for a week with respect to sub-subdivision c. of this subdivision, only if, for the period consisting of such week and the immediately preceding 12 weeks, the option specified in sub-subdivision c. does not result in an "on indicator".
 - e. Total extended benefit amount.
 1. The total extended benefit amount payment to any eligible individual with respect to the applicable benefit year shall be the least of the following amounts:
 - I. Fifty percent (50%) of the total amount of regular benefits which were payable to the individual under this Chapter in the individual's applicable benefit year; or

- II. Thirteen times the individual's weekly benefit amount that was payable to the individual under this Chapter for a week of total unemployment in the applicable benefit year.
- 2. I. Effective with respect to weeks beginning in a high unemployment period, sub-subdivision e.1. of this subdivision shall be applied by substituting:
 - A. "Eighty percent (80%)" for "fifty percent (50%)" in sub-subdivision e.1.I., and
 - B. "Twenty" for "thirteen" in sub-subdivision e.1.II.
- II. For purposes of sub-subdivision 2.I., the term "high unemployment period" means any period during which an extended benefit period would be in effect if sub-subdivision c. of this subdivision were applied by substituting "eight percent (8%)" for "six and one-half percent (6.5%)".

SECTION 1.1. G.S. 96-12.01(g) reads as rewritten:

"(g) Prior to January 1, 1978, any extended benefits paid to any claimant under G.S. 96-12.01 shall not be charged to the account of the base period employer(s) who pay taxes as required by this Chapter. However, fifty percent (50%) of any such benefits paid shall be allocated as provided in G.S. 96-9(c)(2)a (except that G.S. 96-9(c)(2)b shall not apply), and the applicable amount shall be charged to the account of the appropriate employer paying on a reimbursement basis in lieu of taxes.

On and after January 1, 1978, the federal portion of any extended benefits shall not be charged to the account of any employer who pays taxes as required by this Chapter but the State portion of such extended benefits shall ~~be charged to the~~ be:

- (1) Charged to the account of such employer-employer; or
- (2) Not charged to the account of the employer under the provisions of G.S. 96-9(c)(2).

All state portions of the extended benefits paid shall be charged to the account of governmental entities or other employers not liable for FUTA taxes who are the base period employers."

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 1st day of
October, 2002.

Beverly E. Perdue
President of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____m. this _____ day of _____, 2002