

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB1970
Page _____ Section _____ Lines _____
Of the printed Bill
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Skye McNiel

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 1970

By: Mazzei and Lamb of
the Senate

7 and

McNiel of the House

8
9
10 PROPOSED COMMITTEE SUBSTITUTE

11 [Shared Work Unemployment Compensation Program -

12 codification - effective date -

13 emergency]

14
15
16
17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2-900 of Title 40, unless there
20 is created a duplication in numbering, reads as follows:

21 This act shall be known and may be cited as the "Shared Work
22 Unemployment Compensation Program".
23
24

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2-901 of Title 40, unless there
3 is created a duplication in numbering, reads as follows:

4 As used in this act:

5 1. "Affected unit" means a specified department, shift or other
6 unit of two or more employees that is designated by an employer to
7 participate in a shared work plan;

8 2. "Fringe benefit" means health insurance, a retirement
9 benefit received under a pension plan, a paid vacation day, a paid
10 holiday, sick leave, and any other analogous employee benefit that
11 is provided by an employer;

12 3. "Fund" means the Unemployment Trust Fund established by
13 Section 3-605 of Title 40 of the Oklahoma Statutes;

14 4. "Normal weekly hours of work" means the lesser of forty (40)
15 hours or the average obtained by dividing the total number of hours
16 worked per week during the preceding twelve-week period by the
17 number twelve;

18 5. "Participating employee" means an employee who works a
19 reduced number of hours under a shared work plan;

20 6. "Participating employer" means an employer who has a shared
21 work plan in effect;

22 7. "Commission" has the same meaning as set out in Section 1-
23 206 of Title 40 of the Oklahoma Statutes;

24

1 8. "Shared work benefit" means an unemployment compensation
2 benefit that is payable to an individual in an affected unit because
3 the individual works reduced hours under an approved shared work
4 plan;

5 9. "Shared work plan" means a program for reducing unemployment
6 under which employees who are members of an affected unit share the
7 work remaining after a reduction in their normal weekly hours of
8 work; and

9 10. "Shared Work Unemployment Compensation Program" means a
10 program designed to reduce unemployment and stabilize the work force
11 by allowing certain employees to collect unemployment compensation
12 benefits if the employees share the work remaining after a reduction
13 in the total number of hours of work and a corresponding reduction
14 in wages.

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2-902 of Title 40, unless there
17 is created a duplication in numbering, reads as follows:

18 A. The Oklahoma Employment Security Commission shall establish
19 a voluntary Shared Work Unemployment Compensation Program as
20 provided by this act. The Commission may adopt rules and establish
21 procedures necessary to administer the program.

22 B. An employer who wishes to participate in the Shared Work
23 Unemployment Compensation Program must submit a written shared work
24 plan to the Commission for approval. As a condition for approval, a

1 participating employer must agree to furnish the Commission with
2 reports relating to the operation of the shared work plan. The
3 report shall be in a form prescribed by the Commission.

4 SECTION 4. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 2-903 of Title 40, unless there
6 is created a duplication in numbering, reads as follows:

7 A. The Oklahoma Employment Security Commission may approve a
8 shared work plan if:

9 1. The participating employer regularly employs at least one
10 hundred employees;

11 2. The shared work plan applies to and identifies a specific
12 affected unit or number of units;

13 3. The employees in the affected unit are identified by name
14 and social security number;

15 4. The shared work plan reduces the normal weekly hours of work
16 for an employee in the affected unit by not less than twenty percent
17 (20%) and not more than forty percent (40%);

18 5. The shared work plan applies to at least ten percent (10%)
19 of the employees in the affected unit and at least fifty employees
20 within the company;

21 6. The shared work plan maintains the fringe benefits of each
22 employee in the affected unit at the benefit level in effect before
23 the shared work plan is implemented;

24

1 7. The employer certifies that the implementation of a shared
2 work plan and the resulting reduction in work hours is in lieu of
3 temporary layoffs that would affect at least ten percent (10%) of
4 the employees in the affected unit and at least fifty employees
5 within the company, and that would result in an equivalent reduction
6 in work hours;

7 8. The employer has filed all reports required to be filed
8 under the Employment Security Act of 1980 for all past and current
9 periods, and has paid all contributions, interest, penalties and
10 fees owing on the employer's account with the Commission; and

11 9. The employer must be eligible for a tax rate computation
12 under Sections 3-101 through 3-118 of Title 40 of the Oklahoma
13 Statutes; provided, any employer that is assigned an experience rate
14 of five and four-tenths (5.4) percent or greater for a calendar year
15 shall be ineligible to participate in the Shared Work Unemployment
16 Compensation Program provided by this act for that calendar year.

17 B. If any of the employees who participate in a shared work
18 plan pursuant to this act are covered by a collective bargaining
19 agreement, the shared work plan must be approved in writing by the
20 collective bargaining agent before approval by the Commission.

21 C. A shared work plan may not be implemented to subsidize
22 seasonal employers during the off-season or to subsidize employers
23 who have traditionally employed workers less than thirty-two (32)
24 hours per week.

1 D. The Commission shall approve or deny a shared work plan no
2 later than thirty (30) days after the day the shared work plan is
3 received by the Commission. The Commission shall approve or deny a
4 shared work plan in writing. If the plan is denied, the Commission
5 shall notify the employer of the reasons for the denial.

6 E. The employer may appeal the denial of a shared work plan
7 pursuant to the provisions of Section 3-115 of Title 40 of the
8 Oklahoma Statutes.

9 SECTION 5. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 2-904 of Title 40, unless there
11 is created a duplication in numbering, reads as follows:

12 A shared work plan is effective on the date it is approved by
13 the Oklahoma Employment Security Commission. For good cause shown,
14 the Commission may designate the effective date to be on any day
15 within a period of fourteen (14) days prior to the date the plan is
16 approved by the Commission. The shared work plan expires on the
17 last day of the twelfth full calendar month after the effective date
18 of the shared work plan. Shared work benefits shall be paid for a
19 maximum of twenty-six (26) weeks during the twelve (12) consecutive
20 calendar months that the shared work plan is in effect.

21 SECTION 6. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 2-905 of Title 40, unless there
23 is created a duplication in numbering, reads as follows:

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1 An employer may modify a shared work plan created pursuant to
2 this act to meet changed conditions if the modification conforms to
3 the basic provisions of the shared work plan as approved by the
4 Oklahoma Employment Security Commission. The employer must report
5 the changes made to the shared work plan in writing to the
6 Commission before implementing the changes. If the original shared
7 work plan is substantially modified, the Commission shall reevaluate
8 the shared work plan and may approve the modified shared work plan
9 if it meets the requirements for approval under Section 5 of this
10 act. The approval of a modified shared work plan does not affect
11 the expiration date originally set for that shared work plan. If
12 substantial modifications cause the shared work plan to fail to meet
13 the requirements for approval, the Commission shall deny approval to
14 the modifications as provided by subsection D of Section 4 of this
15 act.

16 SECTION 7. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2-906 of Title 40, unless there
18 is created a duplication in numbering, reads as follows:

19 A. Notwithstanding any other provisions of the Employment
20 Security Act of 1980, an individual is unemployed and is eligible
21 for shared work benefits in any week in which the individual, as an
22 employee in an affected unit, works for less than the individual's
23 normal weekly hours of work in accordance with an approved shared
24 work plan in effect for that week. The Oklahoma Employment Security

1 Commission may not deny shared work benefits for any week to an
2 otherwise eligible individual by reason of the application of any
3 provision of this title that relates to availability for work,
4 active search for work or refusal to apply for or accept work with
5 an employer other than the participating employer. The Oklahoma
6 Employment Security Commission shall not deduct wages paid by the
7 participating employer to the participating employee from the shared
8 work benefit in any week the shared work plan is being implemented
9 for the participating employee.

10 B. An individual is eligible to receive shared work benefits
11 with respect to any week in which the Commission finds that:

12 1. The individual is employed as a member of an affected unit
13 subject to a shared work plan that was approved and is in effect for
14 that week;

15 2. The individual is able to work and is available for
16 additional hours of work or full-time work with the participating
17 employer;

18 3. The individual's normal weekly hours of work have been
19 reduced by at least twenty percent (20%) but not more than forty
20 percent (40%) with a corresponding reduction in wages; and

21 4. The individual's normal weekly hours of work and wages have
22 been reduced as described in paragraph 3 of this subsection for a
23 waiting period of one (1) week which occurs within the period the
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1 shared work plan is in effect, which period includes the week for
2 which the individual is claiming shared work benefits.

3 C. The participating employer shall be responsible for the
4 filing of the weekly claims for shared work benefits on behalf of
5 the participating employee. The participating employer shall
6 provide the Oklahoma Employment Security Commission with the name
7 and social security number of each participating employee along with
8 any other information necessary to complete the claim. The
9 participating employer shall certify that the participating employee
10 is qualified to receive the shared work benefit.

11 SECTION 8. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 2-907 of Title 40, unless there
13 is created a duplication in numbering, reads as follows:

14 A. The Oklahoma Employment Security Commission shall pay an
15 individual who is eligible for shared work benefits a weekly shared
16 work benefit amount equal to the individual's regular weekly benefit
17 amount, calculated pursuant to Section 2-106 of Title 40 of the
18 Oklahoma Statutes, for a period of total unemployment multiplied by
19 the nearest full percentage of reduction of the individual's hours
20 as set forth in the employer's shared work plan. If the shared
21 benefit amount is not a multiple of One Dollar (\$1.00), the
22 Commission shall reduce the amount to the next lowest multiple of
23 One Dollar (\$1.00). All shared work benefits under this act shall
24 be payable from the Unemployment Compensation Fund.

1 B. The Commission may not pay an individual shared work
2 benefits for any week in which the individual performs paid work for
3 the participating employer in excess of the reduced hours
4 established under the shared work plan.

5 C. An individual shall not receive shared work benefits or
6 regular unemployment compensation benefits or both, in an amount
7 that exceeds the maximum benefit amount payable to that individual,
8 pursuant to Section 2-106 of Title 40 of the Oklahoma Statutes, in
9 the benefit year that shall begin as of the effective date of the
10 shared work plan.

11 D. An individual who has received all of the shared work
12 benefits and regular unemployment compensation benefits available in
13 a benefit year has exhausted his or her benefits and may be entitled
14 to receive extended benefits, if extended benefits are available and
15 if the individual is otherwise eligible.

16 SECTION 9. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 2-908 of Title 40, unless there
18 is created a duplication in numbering, reads as follows:

19 Shared work benefit wages paid under a shared work plan shall be
20 charged to the participating employer as provided in Section 3-106
21 of Title 40 of the Oklahoma Statutes.

22 SECTION 10. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 2-909 of Title 40, unless there
24 is created a duplication in numbering, reads as follows:

1 The Oklahoma Employment Security Commission may terminate a
2 shared work plan for good cause if the Commission determines that
3 the shared work plan is not being executed according to the terms
4 and intent of the Shared Work Unemployment Compensation Program.

5 SECTION 11. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 2-910 of Title 40, unless there
7 is created a duplication in numbering, reads as follows:

8 No shared work benefit payment shall be made under any shared
9 work plan for any week which commences before January 1, 2011.

10 SECTION 12. This act shall become effective July 1, 2010.

11 SECTION 13. It being immediately necessary for the preservation
12 of the public peace, health and safety, an emergency is hereby
13 declared to exist, by reason whereof this act shall take effect and
14 be in full force from and after its passage and approval.

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16 52-2-10330 LRB 03/22/10

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