ADOPTED 2/13/2006

On page 8, after line 29, strike all of subsections (B) and (C) and insert the following:

- "(B) If, on the cut-off date, the balance in the unemployment compensation fund is determined by the commissioner to be an amount that will provide more than ten months of unemployment benefits, the commissioner shall calculate the flat social cost factor for the rate year immediately following the cut-off date by reducing the total social cost by the dollar amount that represents the number of months for which the balance in the unemployment compensation fund on the cut-off date will provide benefits above ten months and dividing the result by the total taxable payroll. However, the calculation under this subsection (2)(b)(i)(B) for a rate year may not ((result in a))reduce the flat social cost factor ((that is more than two-tenths lower than the))below the calculation under (b)(i)(A) of this subsection for that rate year by more than:
- (I) Two-tenths, if the balance in the unemployment compensation fund will provide benefits for more than ten months but less than twelve months;
- (II) Three-tenths, if the balance in the unemployment compensation fund will provide benefits for at least twelve months but less than fourteen months; or
- (III) Four-tenths, if the balance in the unemployment compensation fund will provide benefits for fourteen months or more.

For the purposes of this subsection, the commissioner shall determine the number of months of unemployment benefits in the unemployment compensation fund using the benefit cost rate for the average of the three highest calendar benefit cost rates in the twenty consecutive completed calendar years immediately preceding the cut-off date or a period of consecutive calendar years immediately preceding the cut-off date that includes three recessions, if longer.

(C) The minimum flat social cost factor calculated under this subsection (2)(b) shall be six-tenths of one percent, except that if (b)(i)(B)(II) of this subsection applies, the minimum shall be fifty-five one-hundredths of one percent, and if (b)(i)(B)(III) of this subsection applies, the minimum shall be five-tenths of one percent."

- On page 10, starting on line 29, after "through" strike "June" and insert "December"
- 3 On page 10, starting on line 30, strike "30, ((2007)) <u>2006</u>" and
- 4 insert "2007"
- 5 On page 11, line 4, after "quarters" insert ", and dividing the
- 6 <u>amount by four</u>"
- 7 On page 11, at the beginning of line 20, strike "four" and insert
- 8 "sixteen"
- 9 On page 11, line 22, after "date" insert ", divided by four"

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EFFECT: Technical amendments.