

Major Legislative Changes in the Virginia Unemployment Compensation Act

1991 to 2016



**Virginia Employment Commission
Economic Information & Analytics Division**

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Major Legislative Changes in the Virginia Unemployment Compensation Act 1991 to 2016

FOREWORD

This publication highlights the major legislative changes that have been enacted in the Unemployment Compensation Act since 1991. Because the publication concentrates only on changes that have had a major financial impact on the UI system in the state, it is not comprehensive and does not include many minor changes that have taken place during this time. This is especially true of the provisions relating to coverage.

This publication should prove to be a useful reference guide for administrators, legislators, and employers. We will update it at least every two years. The Virginia Employment Commission is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Any suggestions or comments for improvements are welcome and may be addressed to:

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Effective Date		Section and Year
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BASE PERIOD

July 6, 2003	If the claimant has earned insufficient wages in the first 4 of the last 5 completed calendar quarters to become eligible for benefits, then such claimant's "base period" shall be the 4 most recent completed calendar quarters immediately preceding the first day of the claimant's benefit year.	§60.2-204 of 2003
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BENEFIT RATES

*For changes in weekly benefit amounts under Section 60.2-602, please refer to **Appendix A** on page 4.*

July 2011	Social Security Act or Railroad Retirement Act retirement benefits no longer reduce the weekly benefit amount payable.	§60.2-604 of 2003, Superseded (2005), (2011)
July 3, 2005	Partial unemployment is compensated at an amount equal to the weekly benefit amount less wages in excess of \$50.	§60.2-603 of 2005

ELIGIBILITY REQUIREMENTS

*For changes in minimum qualifying earnings in the highest two quarters of the base period under Section 60.2-612, please refer to **Appendix C** on page 7.*

WAITING PERIOD

Jan. 6, 1991	The waiting week is reinstated. Only one waiting week shall be required within any benefit year.	§60.2-612.9 of 1990
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VOLUNTARY QUIT DISQUALIFICATION

July 2014	A claimant is not disqualified for voluntarily leaving to accompany a spouse who is transferred by the military to a new permanent duty station outside the current labor market area and to a state that pays similar UI benefits. The law expires December 31, 2020.	§60.2-618(1) of 2014
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**Effective
Date**

**Section and
Year**

SHORT-TIME COMPENSATION PROGRAM

Jan. 1,
2015

Establishes a short-time compensation program that provides employers with the option of reducing the hours worked by employees, while permitting the employees whose hours are reduced to receive partial compensation for lost wages. (Program also known as work-share or shared-work.)

§60.2-700
through
§60.2-710
of 2014

Program participation requires Virginia Employment Commission approval of a plan, which must provide that the reduction in hours of work is in lieu of a layoff of an equivalent percentage of employees and that employees' health and retirement benefits cannot be reduced or eliminated under the plan.

An individual who satisfies other requirements for unemployment benefits will be eligible for short-time compensation if he is available for the individual's usual hours of work with the participating employer, which may include participating in certain training programs.

An employer is not eligible to participate in the program if it has negative unemployment experience, is assigned the maximum experience rating tax rate, is assigned the tax rate for new employers, or reduced its workforce by 20 percent or more during the preceding six months. Participating employers are required to provide information regarding whether the plan is intended to be a transition to permanent layoffs.

Short-time compensation shall be charged to employers' experience rating accounts in the same manner as unemployment compensation is charged under this title. Employers liable for payments in lieu of contributions shall have short-time compensation attributed to service in their employ in the same manner as unemployment compensation is attributed.

The law has an expiration date of January 1, 2020; however, if federal grants covering certain costs of establishing the program are not received by the Commission by July 1, 2016, the law will expire on that date.

Federal grants were not received, so the law expired.

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Effective Date		Section and Year
EXPERIENCE RATING		
July 1997	Responsibility for benefit charges was changed to the last employer for 30 days or 240 hours.	§60.2-528 of 1997
CONTRIBUTIONS AND TAXABLE WAGES		
<i>For changes in minimum and maximum tax rates, surtaxes, the new employer tax rate, and the tax base, please refer to Appendix D on pages 8 and 9.</i>		
January 1991	The taxable wage base was raised to \$8,000.	§60.2-229(B) of 1990
January 1991	When the Fund Balance Factor exceeds 50% for the most recent year included in the pool cost charge rate computation, interest is offset from pool costs.	§60.2-532(B)(3) of 1990
January 1996	As soon as possible after paying 2.5% for one year, new employers are given an experience-based tax rate. This provision, which was to expire on January 1, 1998, was extended until January 1, 2000, then made permanent.	§60.2-526 of 1995, Superseded (1998), (2000)
January 1997	The calculation of the June 30 balance used in the Fund Balance Factor computation is changed from a cash basis to an accrual basis.	§60.2-533(A) of 1996
July 1997	The adequate balance is determined by averaging the three highest ratios of benefits divided by total wages of consecutive four-quarter periods during the last 20 years, multiplying this average by 1.38 to obtain the Fund Adequacy Multiplier, and applying this multiplier to the total wages for the year in question.	§60.2-533(B) of 1997
July 1997	A new employer acquiring ownership of an existing business can choose between retaining the experience-based rate of the predecessor and obtaining the new employer tax rate.	§60.2-535 of 1997
July 2014	Pool costs include benefits paid to a claimant not disqualified for voluntarily leaving to accompany a spouse who is transferred by the military to a new permanent duty station outside the current labor market area and to a state that pays similar UI benefits. The law expires December 31, 2020.	§60.2-528(c)(9)

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APPENDIX A Weekly Benefit Amount and Duration

Year	Effective Date	Weekly Benefit Amount		Duration (Times the Weekly Benefit Amount)	
		Minimum	Maximum	Minimum	Maximum
1991	January 6	\$60	\$198	12	26
1992	January 5	\$65	\$208	12	26
1996	July 7	\$65	\$224	12	26
1997	July 6	\$60	\$226	12	26
1998	July 5	\$55	\$228	12	26
1999	July 4	\$50	\$230	12	26
1999	November 28 ^a	\$50	\$268	12	26
2001	September 9 ^b	\$69	\$368	12	26
2003	January 5	\$59	\$318	12	26
2003	July 6	\$50	\$316	12	26
2004	July 4	\$50	\$326	12	26
2005	July 3	\$54	\$330	12	26
2006	July 2	\$54	\$347	12	26
2007	July 1	\$54	\$363	12	26
2008	July 6	\$54	\$378	12	26
2014	July 6	\$60	\$378	12	26

^a Emergency legislation signed in April 2000 retroactively increased the maximum benefit.

^b Emergency legislation signed in March 2002 retroactively increased all benefits 37.3%.

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APPENDIX B Average Weekly Benefit and Wage Levels and Replacement Ratios

Year	Weekly Benefit and Wage Levels		Average Weekly Wage Replacement Ratios		
	Avg. WBA	Avg. Weekly Wage	Avg. WBA	Min. WBA	Max. WBA
1991	\$150.19	\$440.54	34.1%	13.6%	44.9%
1992	\$157.86	\$464.53	34.0%	14.0%	44.8%
1993	\$162.35	\$472.89	34.3%	13.7%	44.0%
1994	\$162.65	\$483.45	33.6%	13.4%	43.0%
1995	\$162.42	\$501.15	32.4%	13.0%	41.5%
1996	\$164.92	\$524.51	31.4%	12.4%	42.7%
1997	\$171.85	\$554.76	31.0%	10.8%	40.7%
1998	\$175.81	\$594.56	29.6%	9.3%	38.3%
1999	\$179.89	\$630.07	28.6%	7.9%	36.5%
2000	\$199.79	\$672.76	29.7%	7.4%	39.8%
2001	\$242.66	\$702.66	34.5%	9.8%	52.4%
2002	\$297.30	\$706.06	42.1%	9.8%	52.1%
2003	\$262.15	\$732.25	35.8%	6.8%	43.2%
2004	\$230.39	\$770.72	29.9%	6.5%	42.3%
2005	\$236.64	\$806.11	29.4%	6.7%	40.9%
2006	\$250.96	\$838.89	29.9%	6.4%	41.4%
2007	\$263.51	\$874.38	30.1%	6.2%	41.5%
2008	\$274.60	\$896.22	30.6%	6.0%	42.2%
2009	\$288.18	\$914.41	31.5%	5.9%	41.3%

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APPENDIX B

Average Weekly Benefit and Wage Levels and Replacement Ratios (continued)

Year	Weekly Benefit and Wage Levels		Average Weekly Wage Replacement Ratios		
	Avg. WBA	Avg. Weekly Wage	Avg. WBA	Min. WBA	Max. WBA
2010	\$274.93	\$942.52	29.2%	5.7%	40.1%
2011	\$274.08	\$963.88	28.4%	5.6%	39.2%
2012	\$282.33	\$985.87	28.6%	5.5%	38.3%
2013	\$287.87	\$990.46	29.1%	5.5%	38.2%
2014	\$291.65	\$1,007.31	29.0%	6.0%	37.5%
2015	\$292.57	\$1,032.28	28.3%	5.8%	36.6%

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APPENDIX C Minimum Entitlement Requirements

Year	Effective Date	Minimum Qualifying Earnings ^a	Qualifying Earnings as a Multiple of the Weekly Benefit Amount
1991	January 6	\$3,000	50
1992	January 5	\$3,250	50
1997	July 6	\$3,000	50
1998	July 5	\$2,750	50
1999	July 4	\$2,500	50
2001	September 9 ^b	\$2,500	36.5 ^c
2003	January 5	\$2,500	42 ^c
2003	July 6	\$2,500	50
2005	July 3	\$2,700	50
2014	July 6	\$3,000	50

^a This amount must be earned in two quarters of base period in which total wages were the highest.

^b Emergency legislation signed in March 2002 retroactively changed the multiple for all benefits.

^c Approximate values.

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APPENDIX D Tax Rates and Tax Base

Year	Effective Date	Tax Rates			New Employer Rate	Tax Base
		Min.	Max.	Surtaxes		
1991	January 1	0.1%	6.2%	Pool Cost – None Fund Building – None	2.5%	\$8,000
1993	January 1	0.1%	6.2%	Pool Cost – 0.07% additive Fund Building – None	2.5%	\$8,000
1994	January 1	0.1%	6.2%	Pool Cost – 0.1% additive Fund Building – None	2.5%	\$8,000
1995	January 1	0.1%	6.2%	Pool Cost – 0.08% additive Fund Building – None	2.5%	\$8,000
1996	January 1	0.1%	6.2%	Pool Cost – 0.03% additive Fund Building – None	2.5%	\$8,000
1997	January 1	0.1%	6.2%	Pool Cost – None Fund Building – None	2.5%	\$8,000
1997	July 1	0.0%	5.4%	Pool Cost – None Fund Building – None	2.5%	\$8,000
2000	January 1	0.0%	5.58%	Pool Cost – None Fund Building – None	2.5%	\$8,000
2001	January 1	0.0%	6.2%	Pool Cost – None Fund Building – None	2.5%	\$8,000
2003	January 1	0.1%	6.2%	Pool Cost – 0.03% additive Fund Building – None	2.5%	\$8,000
2004	January 1	0.1%	6.2%	Pool Cost – 0.14% additive Fund Building – 0.2% additive	2.5%	\$8,000
2005	January 1	0.1%	6.2%	Pool Cost – 0.22% additive Fund Building – 0.2% additive	2.5%	\$8,000

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APPENDIX D Tax Rates and Tax Base (continued)

Year	Effective Date	Tax Rates			New Employer Rate	Tax Base
		Min.	Max.	Surtaxes		
2006	January 1	0.1%	6.2%	Pool Cost – 0.19% additive Fund Building – None	2.5%	\$8,000
2007	January 1	0.1%	6.2%	Pool Cost – 0.07% additive Fund Building – None	2.5%	\$8,000
2008	January 1	0.1%	6.2%	Pool Cost – 0.02% additive Fund Building – None	2.5%	\$8,000
2009	January 1	0.1%	6.2%	Pool Cost – 0.08% additive Fund Building – None	2.5%	\$8,000
2010	January 1	0.1%	6.2%	Pool Cost – 0.28% additive Fund Building – 0.2% additive	2.5%	\$8,000
2011	January 1	0.1%	6.2%	Pool Cost – 0.47% additive Fund Building – 0.2% additive	2.5%	\$8,000
2012	January 1	0.1%	6.2%	Pool Cost – 0.53% additive Fund Building – 0.2% additive	2.5%	\$8,000
2013	January 1	0.1%	6.2%	Pool Cost – 0.38% additive Fund Building – 0.2% additive	2.5%	\$8,000
2014	January 1	0.1%	6.2%	Pool Cost – 0.22% additive Fund Building – 0.2% additive	2.5%	\$8,000
2015	January 1	0.1%	6.2%	Pool Cost – 0.14% additive Fund Building – 0.2% additive	2.5%	\$8,000
2016	January 1	0.1%	6.2%	Pool Cost – 0.07% additive Fund Building – None	2.5%	\$8,000

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APPENDIX E UI Taxable and Total Employment/Wages

Year	Employment		Wages (Billions)	
	Taxable	Total ^a	Taxable	Total ^b
1991	2,162,054	2,586,305	\$17.7	\$49.5
1992	2,173,279	2,608,849	\$17.9	\$52.5
1993	2,234,478	2,683,481	\$18.5	\$54.9
1994	2,311,332	2,769,120	\$19.4	\$58.1
1995	2,380,087	2,841,256	\$20.1	\$62.0
1996	2,444,643	2,910,456	\$21.0	\$66.7
1997	2,533,127	3,010,983	\$22.2	\$73.1
1998	2,595,964	3,088,450	\$23.2	\$80.3
1999	2,671,015	3,176,255	\$24.1	\$87.5
2000	2,754,784	3,275,698	\$25.4	\$96.4
2001	2,761,161	3,291,575	\$25.5	\$100.9
2002	2,715,755	3,261,187	\$24.9	\$99.7
2003	2,716,928	3,266,142	\$24.9	\$103.5
2004	2,785,370	3,346,167	\$25.9	\$111.6
2005	2,850,567	3,427,722	\$26.8	\$119.5

^a Includes taxable and reimbursable employment.

^b Excludes wages from reimbursable employers.

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APPENDIX E UI Taxable and Total Employment/Wages (continued)

Year	Employment		Wages (Billions)	
	Taxable	Total ^a	Taxable	Total ^b
2006	2,895,784	3,484,772	\$27.4	\$126.3
2007	2,913,568	3,516,568	\$27.6	\$132.5
2008	2,890,857	3,506,485	\$27.2	\$134.7
2009	2,761,344	3,381,739	\$25.5	\$131.3
2010	2,747,758	3,363,306	\$25.6	\$134.7
2011	2,782,784	3,406,725	\$26.1	\$139.5
2012	2,815,963	3,445,532	\$26.6	\$144.4
2013	2,837,482	3,468,746	\$27.0	\$146.1
2014	2,853,231	3,486,124	\$27.2	\$149.5
2015	2,920,962	3,557,589	\$28.3	\$156.8

^a Includes taxable and reimbursable employment.

^b Excludes wages from reimbursable employers.