

Ohio Revised Code Section 4141.25 Contribution rates.

Effective: March 28, 2017

Legislation: Senate Bill 235 - 131st General Assembly

- (A) The director of job and family services shall determine as of each computation date the contribution rate of each contributing employer subject to this chapter for the next succeeding contribution period. The director shall determine a standard rate of contribution or an experience rate for each contributing employer. Once a rate of contribution has been established under this section for a contribution period, except as provided in division (D) of section 4141.26 of the Revised Code, that rate shall remain effective throughout such contribution period. The rate of contribution shall be determined in accordance with the following requirements:
- (1) An employer whose experience does not meet the terms of division (A)(2) of this section shall be assigned a standard rate of contribution. Effective for contribution periods beginning on and after January 1, 1998, an employer's standard rate of contribution shall be a rate of two and seven-tenths per cent, except that the rate for employers engaged in the construction industry shall be the average contribution rate computed for the construction industry or a rate of two and seven-tenths per cent, whichever is greater. The standard rate set forth in this division shall be applicable to a nonprofit organization whose election to make payments in lieu of contributions is voluntarily terminated or canceled by the director under section 4141.241 of the Revised Code, and thereafter pays contributions as required by this section. If such nonprofit organization had been a contributory employer prior to its election to make payments in lieu of contributions, then any prior balance in the contributory account shall become part of the reactivated account.

As used in division (A) of this section, "the average contribution rate computed for the construction industry" means the most recent annual average rate attributable to the construction industry as prescribed by the director.

(2) A contributing employer subject to this chapter shall qualify for an experience rate only if there have been four consecutive quarters, ending on the thirtieth day of June immediately prior to the computation date, throughout which the employer's account was chargeable with benefits. Upon meeting the qualifying requirements provided in division (A)(2) of this section, the director shall

calculate the total credits to each employer's account consisting of the contributions other than mutualized contributions including all contributions paid prior to the computation date for all past periods plus:

- (a) The contributions owing on the computation date that are paid within thirty days after the computation date, and credited to the employer's account;
- (b) All voluntary contributions paid by an employer pursuant to division (B) of section 4141.24 of the Revised Code.
- (3) The director also shall determine the benefits which are chargeable to each employer's account and which were paid prior to the computation date with respect to weeks of unemployment ending prior to the computation date. The director then shall determine the positive or negative balance of each employer's account by calculating the excess of such contributions and interest over the benefits chargeable, or the excess of such benefits over such contributions and interest. Any resulting negative balance then shall be subject to adjustment as provided in division (A)(2) of section 4141.24 of the Revised Code after which the positive or negative balance shall be expressed in terms of a percentage of the employer's average annual payroll. If the total standing to the credit of an employer's account exceeds the total charges, as provided in this division, the employer has a positive balance and if such charges exceed such credits the employer has a negative balance. Each employer's contribution rate shall then be determined in accordance with the following schedule:

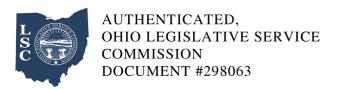
Contribution Rate Schedule

	If, as of the computation date the contribution rate balance of an employer's account as a percentage of the employer's average annual payroll is	The employer's contribution rate for the next succeeding contribution period shall be
(a)	A negative balance of:	
	20.0% or more	6.5%
	19.0% but less than 20.0%	6.4%
	17.0% but less than 19.0%	6.3%
	15.0% but less than 17.0%	6.2%
	13.0% but less than 15.0%	6.1%

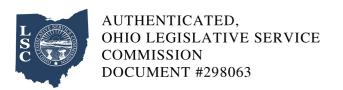
	11.0% but less than 13.0%	6.0%
	9.0% but less than 11.0%	5.9%
	5.0% but less than 9.0%	5.7%
	4.0% but less than 5.0%	5.5%
	3.0% but less than 4.0%	5.3%
	2.0% but less than 3.0%	5.1%
	1.0% but less than 2.0%	4.9%
	more than 0.0% but less than 1.0%	4.8%
(b)	A 0.0% or a positive balance of less than 1.0%	4.7%
(c)	A positive balance of:	
	1.0% or more, but less than 1.5%	4.6%
	1.5% or more, but less than 2.0%	4.5%
	2.0% or more, but less than 2.5%	4.3%
	2.5% or more, but less than 3.0%	4.0%
	3.0% or more, but less than 3.5%	3.8%
	3.5% or more, but less than 4.0%	3.5%
	4.0% or more, but less than 4.5%	3.3%
	4.5% or more, but less than 5.0%	3.0%
	5.0% or more, but less than 5.5%	2.8%
	5.5% or more, but less than 6.0%	2.5%
	6.0% or more, but less than 6.5%	2.2%
	6.5% or more, but less than 7.0%	2.0%
	7.0% or more, but less than 7.5%	1.8%
	7.5% or more, but less than 8.0%	1.6%

8.0% or more, but less than 8.5%	1.4%
8.5% or more, but less than 9.0%	1.3%
9.0% or more, but less than 9.5%	1.1%
9.5% or more, but less than 10.0%	1.0%
10.0% or more, but less than 10.5%	.9%
10.5% or more, but less than 11.0%	.7%
11.0% or more, but less than 11.5%	.6%
11.5% or more, but less than 12.0%	.5%
12.0% or more, but less than 12.5%	.4%
12.5% or more, but less than 13.0%	.3%
13.0% or more, but less than 14.0%	.2%
14.0% or more	.1%

- (d) The contribution rates shall be as specified in divisions (a), (b), and (c) of the contribution rate schedule except that notwithstanding the amendments made to division (a) of the contribution rate schedule in this section, if, as of the computation date: for 1991, the negative balance is 5.0% or more, the contribution rate shall be 5.7%; for 1992, if the negative balance is 11.0% or more, the contribution rate shall be 6.0%; and for 1993, if the negative balance is 17.0% or more, the contribution rate shall be 6.3%. Thereafter, the contribution rates shall be as specified in the contribution rate schedule.
- (B)(1) The director shall establish and maintain a separate account to be known as the "mutualized account." As of each computation date there shall be charged to this account:
- (a) As provided in division (A)(2) of section 4141.24 of the Revised Code, an amount equal to the sum of that portion of the negative balances of employer accounts which exceeds the applicable limitations as such balances are computed under division (A) of this section as of such date;



- (b) An amount equal to the sum of the negative balances remaining in employer accounts which have been closed during the year immediately preceding such computation date pursuant to division (E) of section 4141.24 of the Revised Code;
- (c) An amount equal to the sum of all benefits improperly paid preceding such computation date which are not recovered but which are not charged to an employer's account, or which after being charged, are credited back to an employer's account;
- (d) An amount equal to the sum of any other benefits paid preceding such computation date which, under this chapter, are not chargeable to an employer's account;
- (e) An amount equal to the sum of any refunds made during the year immediately preceding such computation date of erroneously collected mutualized contributions required by this division which were previously credited to this account;
- (f) An amount equal to the sum of any repayments made to the federal government during the year immediately preceding such computation date of amounts which may have been advanced by it to the unemployment compensation fund under section 1201 of the "Social Security Act," 49 Stat. 648 (1935), 42 U.S.C. 301;
- (g) Any amounts appropriated by the general assembly out of funds paid by the federal government, under section 903 of the "Social Security Act," to the account of this state in the federal unemployment trust fund.
- (2) As of every computation date there shall be credited to the mutualized account provided for in this division:
- (a) The proceeds of the mutualized contributions as provided in this division;
- (b) Any positive balances remaining in employer accounts which are closed as provided in division(E) of section 4141.24 of the Revised Code;
- (c) Any benefits improperly paid which are recovered but which cannot be credited to an employer's



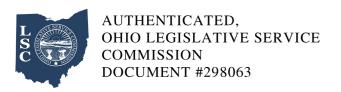
account;

- (d) All amounts which may be paid by the federal government under section 903 of the "Social Security Act" to the account of this state in the federal unemployment trust fund;
- (e) Amounts advanced by the federal government to the account of this state in the federal unemployment trust fund under section 1201 of the "Social Security Act" to the extent such advances have been repaid to or recovered by the federal government;
- (f) Interest credited to the Ohio unemployment trust fund as deposited with the secretary of the treasury of the United States;
- (g) Amounts deposited into the unemployment compensation fund for penalties collected pursuant to division (A)(4) of section 4141.35 of the Revised Code.
- (3) Annually, as of the computation date, the director shall determine the total credits and charges made to the mutualized account during the preceding twelve months and the overall condition of the account. The director shall issue an annual statement containing this information and such other information as the director deems pertinent, including a report that the sum of the balances in the mutualized account, employers' accounts, and any subsidiary accounts equal the balance in the state's unemployment trust fund maintained under section 904 of the "Social Security Act."
- (4) As used in this division:
- (a) "Fund as of the computation date" means as of any computation date, the aggregate amount of the unemployment compensation fund, including all contributions owing on the computation date that are paid within thirty days thereafter, all payments in lieu of contributions that are paid within sixty days after the computation date, all reimbursements of the federal share of extended benefits described in section 4141.301 of the Revised Code that are owing on the computation date, and all interest earned by the fund and received on or before the computation date from the federal government.
- (b) "Minimum safe level" means an amount equal to two standard deviations above the average of

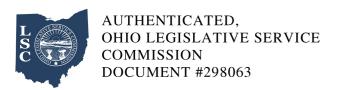


the adjusted annual average unemployment compensation benefit payment from 1970 to the most recent calendar year prior to the computation date, as determined by the director pursuant to division (B)(4)(b) of this section. To determine the adjusted annual payment of unemployment compensation benefits, the director first shall multiply the number of weeks compensated during each calendar year beginning with 1970 by the most recent annual average weekly unemployment compensation benefit payment and then compute the average and standard deviation of the resultant products.

- (c) "Annual average weekly unemployment compensation benefit payment" means the amount resulting from dividing the unemployment compensation benefits paid from the benefit account maintained within the unemployment compensation fund pursuant to section 4141.09 of the Revised Code, by the number of weeks compensated during the same time period.
- (5) If, as of any computation date, the charges to the mutualized account during the entire period subsequent to the computation date, July 1, 1966, made in accordance with division (B)(1) of this section, exceed the credits to such account including mutualized contributions during such period, made in accordance with division (B)(2) of this section, the amount of such excess charges shall be recovered during the next contribution period. To recover such amount, the director shall compute the percentage ratio of such excess charges to the average annual payroll of all employers eligible for an experience rate under division (A) of this section. The percentage so determined shall be computed to the nearest tenth of one per cent and shall be an additional contribution rate to be applied to the wages paid by each employer whose rate is computed under the provisions of division (A) of this section in the contribution period next following such computation date, but such percentage shall not exceed five-tenths of one per cent; however, when there are any excess charges in the mutualized account, as computed in this division, then the mutualized contribution rate shall not be less than one-tenth of one per cent.
- (6) If the fund as of the computation date is above or below minimum safe level, the contribution rates provided for in each classification in division (A)(3) of this section for the next contribution period shall be adjusted as follows:
- (a) If the fund is thirty per cent or more above minimum safe level, the contribution rates provided in division (A)(3) of this section shall be decreased two-tenths of one per cent.



- (b) If the fund is more than fifteen per cent but less than thirty per cent above minimum safe level, the contribution rates provided in division (A)(3) of this section shall be decreased one-tenth of one per cent.
- (c) If the fund is more than fifteen per cent but less than thirty per cent below minimum safe level, the contribution rates of all employers shall be increased twenty-five one-thousandths of one per cent plus a per cent increase calculated and rounded pursuant to division (B)(6)(g) of this section.
- (d) If the fund is more than thirty per cent but less than forty-five per cent below minimum safe level, the contribution rates of all employers shall be increased seventy-five one-thousandths of one per cent plus a per cent increase calculated and rounded pursuant to division (B)(6)(g) of this section.
- (e) If the fund is more than forty-five per cent but less than sixty per cent below minimum safe level, the contribution rates of all employers shall be increased one-eighth of one per cent plus a per cent increase calculated and rounded pursuant to division (B)(6)(g) of this section.
- (f) If the fund is sixty per cent or more below minimum safe level, the contribution rates of all employers shall be increased two-tenths of one per cent plus a per cent increase calculated and rounded pursuant to division (B)(6)(g) of this section.
- (g) The additional per cent increase in contribution rates required by divisions (B)(6)(c), (d), (e), and (f) of this section that is payable by each individual employer shall be calculated in the following manner. The flat rate increase required by a particular division shall be multiplied by three and the product divided by the average experienced-rated contribution rate for all employers as determined by the director for the most recent calendar year. The resulting quotient shall be multiplied by an individual employer's contribution rate determined pursuant to division (A)(3) of this section. The resulting product shall be rounded to the nearest tenth of one per cent, added to the flat rate increase required by division (B)(6)(c), (d), (e), or (f) of this section, as appropriate, and the total shall be rounded to the nearest tenth of one per cent. As used in division (B)(6)(g) of this section, the "average experienced-rated contribution rate" means the most recent annual average contribution rate reported by the director contained in report RS 203.2 less the mutualized and minimum safe level contribution rates included in such rate.

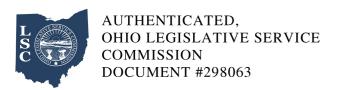


- (h) If any of the increased contribution rates of division (B)(6)(c), (d), (e), or (f) of this section are imposed, the rate shall remain in effect for the calendar year in which it is imposed and for each calendar year thereafter until the director determines as of the computation date for calendar year 1991 and as of the computation date for any calendar year thereafter pursuant to this section, that the level of the unemployment compensation fund equals or exceeds the minimum safe level as defined in division (B)(4)(b) of this section. Nothing in division (B)(6)(h) of this section shall be construed as restricting the imposition of the increased contribution rates provided in divisions (B)(6)(c), (d), (e), and (f) of this section if the fund falls below the percentage of the minimum safe level as specified in those divisions.
- (7) The additional contributions required by division (B)(5) of this section shall be credited to the mutualized account. The additional contributions required by division (B)(6) of this section shall be credited fifty per cent to individual employer accounts and fifty per cent to the mutualized account.
- (C) If an employer makes a payment of contributions which is less than the full amount required by this section and sections 4141.23, 4141.24, 4141.241, 4141.242, 4141.25, 4141.26, and 4141.27 of the Revised Code, such partial payment shall be applied first against the mutualized contributions required under this chapter. Any remaining partial payment shall be credited to the employer's individual account.
- (D) Whenever there are any increases in contributions resulting from an increase in wages subject to contributions as defined in division (G) of section 4141.01 of the Revised Code, or from an increase in the mutualized rate of contributions provided in division (B) of this section, or from a revision of the contribution rate schedule provided in division (A) of this section, except for that portion of the increase attributable to a change in the positive or negative balance in an employer's account, which increases become effective after a contract for the construction of real property, as defined in section 5701.02 of the Revised Code, has been entered into, the contractee upon written notice by a prime contractor shall reimburse the contractor for all increased contributions paid by the prime contractor or by subcontractors upon wages for services performed under the contract. Upon reimbursement by the contractee to the prime contractor, the prime contractor shall reimburse each subcontractor for the increased contributions.
- (E) Effective only for the contribution period beginning on January 1, 1996, and ending on



December 31, 1996, mutualized contributions collected or received by the director pursuant to division (B)(5) of this section and amounts credited to the mutualized account pursuant to division (B)(7) of this section shall be deposited into or credited to the unemployment compensation benefit reserve fund that is created under division (F) of this section, except that amounts collected, received, or credited in excess of two hundred million dollars shall be deposited into or credited to the unemployment trust fund established pursuant to section 4141.09 of the Revised Code.

- (F) The state unemployment compensation benefit reserve fund is hereby created as a trust fund in the custody of the treasurer of state and shall not be part of the state treasury. The fund shall consist of all moneys collected or received as mutualized contributions pursuant to division (B)(5) of this section and amounts credited to the mutualized account pursuant to division (B)(7) of this section as provided by division (E) of this section. All moneys in the fund shall be used solely to pay unemployment compensation benefits in the event that funds are no longer available for that purpose from the unemployment trust fund established pursuant to section 4141.09 of the Revised Code.
- (G) The balance in the unemployment compensation benefit reserve fund remaining at the end of the contribution period beginning January 1, 2000, and any mutualized contribution amounts for the contribution period beginning on January 1, 1996, that may be received after December 31, 2000, shall be deposited into the unemployment trust fund established pursuant to section 4141.09 of the Revised Code. Income earned on moneys in the state unemployment compensation benefit reserve fund shall be available for use by the director only for the purposes described in division (I) of this section, and shall not be used for any other purpose.
- (H) The unemployment compensation benefit reserve fund balance shall be added to the unemployment trust fund balance in determining the minimum safe level tax to be imposed pursuant to division (B) of this section and shall be included in the mutualized account balance for the purpose of determining the mutualized contribution rate pursuant to division (B)(5) of this section.
- (I) All income earned on moneys in the unemployment compensation benefit reserve fund from the investment of the fund by the treasurer of state shall accrue to the department of job and family services automation administration fund, which is hereby established in the state treasury. Moneys within the automation administration fund shall be used to meet the costs related to automation of the department and the administrative costs related to collecting and accounting for unemployment



compensation benefit reserve fund revenue. Any funds remaining in the automation administration fund upon completion of the department's automation projects that are funded by that fund shall be deposited into the unemployment trust fund established pursuant to section 4141.09 of the Revised Code.

(J) The director shall prepare and submit monthly reports to the unemployment compensation advisory commission with respect to the status of efforts to collect and account for unemployment compensation benefit reserve fund revenue and the costs related to collecting and accounting for that revenue. The director shall obtain approval from the unemployment compensation advisory commission for expenditure of funds from the department of job and family services automation administration fund. Funds may be approved for expenditure for purposes set forth in division (I) of this section only to the extent that federal or other funds are not available.